



Daily Report

East Asia

FBIS-EAS-93-236
Friday
10 December 1993

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FBIS-EAS-93-236

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Japan

Hiraiwa Meets Clinton Adviser Cutter 10 Dec

*OW1012110093 Tokyo KYODO in English 1026 GMT
10 Dec 93*

[Text] Tokyo, Dec. 10 KYODO—A senior U.S. trade official said Friday [10 December] it is appropriate to set numerical targets to slash Japan's huge current account surplus. Bowman Cutter, deputy assistant to President Bill Clinton for economic policy, made the comment when he met Gaishi Hiraiwa, chairman of the powerful business lobby Keidanren, or the Federation of Economic Organizations, officials said.

Hiraiwa also chairs a government advisory panel on economic reform and he is slated to soon submit a final report to Prime Minister Morihiro Hosokawa.

Cutter's reference to numerical targets came after Hiraiwa told him that no panel members have proposed introducing numerical goals as a means of reducing the external surplus, the Keidanren officials said.

In an interim report presented to Hosokawa last month, the advisory group for economic restructuring recommended that excessive regulations be eliminated to pave the way for more business opportunities and lower consumer prices.

Cutter reportedly expressed strong hope that the government will implement the panel's recommendations and pointed to the need for a tax cut in favor of consumers.

Hiraiwa told Cutter that his panel's final report may include a call for an economic stimulus package, including a large tax cut.

U.S. Ambassador Walter Mondale also attended the meeting.

EPA Criticizes U.S. 'Trade War' Policies

*OW1012012093 Tokyo KYODO in English 0047 GMT
10 Dec 93*

[Text] Tokyo, Dec. 10 KYODO—The Economic Planning Agency [EPA] on Friday [10 December] attacked the Clinton administration's trade policies in an annual report which said they could spark a trade war.

The fiscal 1993 white paper on the global economy, approved by the cabinet, takes issue with the so-called strategic trade policy championed by some U.S. economists and followed by the U.S. Government in negotiations with Japan.

"The strategic trade policy is the kind of policy aimed at benefiting one country and runs the danger of developing into a zero-sum trade war, so this should be avoided," the report said. Under the strategic trade policy theory, the United States is urged to promote U.S.

competitiveness in high-technology sectors by means of managed trade, not free trade, because this is crucial to the national economy.

Among advocates of the policy are Paul R. Krugman, professor of economics at the Massachusetts Institute of Technology, and Laura D'Andrea Tyson, chief economic adviser to the president.

They challenge the traditional theory of free trade and support unilateral actions that violate multilateral trading rules, claiming they are allowed in imperfectly competitive markets such as high-technology sectors which tend to be monopolized or oligopolized.

The paper acknowledged the danger of monopoly or oligopoly in high-technology sectors because of the expansion of multilateral corporations, but such a problem should be resolved through global policy coordination, it said. To that end, international rules are needed on competition and industrial policies and such rules should be mapped out through multilateral negotiations not bilateral ones, it said.

The paper said the strategic trade theory is a product of a relative decline in economic power in the United States and some European industrial nations, but said this is not a surprise in a capitalist economy. "It must be recognized that the rise in new countries should provide developed nations with a chance for growth and lead to global prosperity," the report said.

In assessing the global economy, the paper said no signs of strong recovery are in sight yet despite robust growth in East Asia, including among the association of Southeast Asian nations. "The rise of East Asia is a success story under the free, indiscriminate and multilateral trade system, following Japan's transition into an advanced nation," it said.

This points to the need to maintain and strengthen free trade in promoting development in poor countries and having them involved in global economic development, the report said.

To that end, an early conclusion of the Uruguay Round of multilateral trade talks is needed, it said.

MITI: 'No Intention' of Meeting EC Request

*OW1012032693 Tokyo KYODO in English 0302 GMT
10 Dec 93*

[Text] Tokyo, Dec. 10 KYODO—Japan has no intention of meeting a European Community (EC) request to hold a trade ministers meeting among the four major economic powers to help conclude global trade talks before the December 15 deadline, a senior trade official said Friday [10 December].

"I have not heard any plan of Trade Minister (Hiroshi) Kumagai making a visit to Geneva," said Vice International Trade and Industry Minister Hideaki Kumano.

The Uruguay Round of multilateral trade talks, being held under the Geneva-based General Agreement on Tariffs and Trade (GATT), is coming to a finale with its December 15 deadline close at hand.

Foreign Minister Hata Leaves for Geneva 10 Dec
*OW1012132493 Tokyo KYODO in English 1305 GMT
 10 Dec 93*

[Text] Tokyo, Dec. 10 KYODO—Foreign Minister Tsutomu Hata left Tokyo for Geneva on Friday [10 December] for last-minute talks on the proposed partial opening of Japan's rice market.

Hata is expected to arrive in Geneva Saturday morning.

The foreign minister will meet with Germain Denis, who chairs a group of market-access negotiators in the Uruguay Round.

Niigata Farmers Join Anti-Liberalization March

*OW0512015993 Tokyo KYODO in English 0122 GMT
 5 Dec 93*

[Text] Geneva, Dec. 5 KYODO—Thirty Japanese rice growers joined an international rally Saturday [4 December] near the Geneva headquarters of the General Agreement on Tariffs and Trade (GATT) to protest a proposed cut in farm subsidies.

An estimated 3,000 farmers from European Community (EC) member states staged the rally at the United Nations' Geneva headquarters and then marched to the headquarters of GATT, the promoter of the Uruguay Round of multilateral trade negotiations.

The protesters voiced opposition to the Uruguay Round talks which they said were led by the United States. Some demonstrators hurled beer bottles at policemen.

The Japanese participants all came from Niigata Prefecture, a key rice growing region in Japan.

Farm Minister on Raising Self-Sufficiency Rate

*OW0912144593 Tokyo KYODO in English 1426 GMT
 9 Dec 93*

[Text] Tokyo, Dec. 9 KYODO—The farm minister indicated on Thursday [9 December] that new measures will be taken to boost Japan's self-sufficiency rate of rice after it accepts a General Agreement on Tariffs and Trade (GATT) proposal for a partial opening of the rice market.

Eiji Hata was replying to a question asked at a meeting of the House of Representatives Agriculture, Forestry and Fisheries Committee.

He said the new farm program started in fiscal 1993 would not settle all the problems created as a result of the acceptance of the farm trade proposal by Germain

Denis, chairman of the GATT Market- Access Negotiating Group. A raise in the self-sufficiency rate is a big political task, he said.

The new farm program launched by Japan basically calls for the expansion of rice production to make Japanese rice price-competitive on the international market.

Coalition Rejects 10 Dec Rice Decision Call

*OW0912152193 Tokyo KYODO in English 1500 GMT
 9 Dec 93*

[Text] Tokyo, Dec. 9 KYODO—Leaders of the government and coalition parties on Thursday [9 December] postponed until Saturday at the earliest a decision on whether to partially open Japan's rice market to foreign competition.

In a meeting at Prime Minister Morihiro Hosokawa's official residence, the leaders of the other coalition parties resisted a call from the premier and his supporters to reach a decision at Friday's regular cabinet meeting. Yukio Hatoyama, Deputy Chief Cabinet Secretary for Political Affairs, told a news conference.

Hosokawa wanted his coalition allies to decide to accept a proposal in the Uruguay Round of multilateral trade negotiations that would clear the way for the partial lifting of Japan's rice market.

The proposal made Tuesday by the General Agreement on Tariffs and Trade would require Japan to import the equivalent of 4 to 8 percent of its domestic rice consumption in return for a six-year grace period in switching to tariffs.

The coalition leaders are reported to have criticized Hosokawa's failure to make clear that if Japan accepts the proposal it will have to make additional concessions to continue the exemption from tariffication after the seventh year.

When the government unveiled key points of the proposal on Tuesday, it said only the question of continuing to exempt Japan's rice from tariffication will be subject to renegotiation one year before the six-year period ends in 2000. But part of the proposal's text made available Thursday says countries opting for the minimum access proposal "shall confer additional and acceptable concessions" in the event that they seek to avoid tariffication beyond the grace period.

Hosokawa apologized at the meeting for the government's failure to confirm that the clause was included in the proposal, saying Japan cannot destroy the Uruguay Round, Hatoyama said. The premier also reportedly asked the coalition leaders to build a consensus among their respective parties on the partial opening of Japan's rice market.

Hatoyama said the government must decide on Monday at the latest to accept the GATT proposal as the deadline for the global trade talks is on Wednesday. The leaders of

the government and the coalition parties will meet again after Wednesday's session of the House of Councillors Budget Committee to discuss the matter further, he said.

Asked what would happen if the coalition parties failed to reach a consensus on the GATT proposal by Monday evening, Hatoyama said, "Then, we would have to make a decision to give priority to national interests."

Earlier Thursday, Chief Cabinet Secretary Masayoshi Takemura said acceptance of the GATT proposal would mean Tokyo's success in rejecting the comprehensive tariffication put forward by the overseeing body of the Uruguay Round.

In a separate news conference, the top government spokesman said Japan could therefore maintain its policy of opposing the "tariffication without exception" proposal.

The formula, proposed in December 1991 by then GATT Director General Arthur Dunkel, calls for all nontariff restrictions on agricultural imports, including Japan's ban on foreign rice, to be converted to tariffs without exception.

Income Compensation for Rice Farmers Studied

OW1012043493 Tokyo KYODO in English 0414 GMT
10 Dec 93

[Text] Tokyo, Dec. 10 KYODO—The government will consider providing compensation to rice growers whose income will decline considerably when Japan imports rice from abroad, Farm Minister Eijiro Hata said Friday [10 December]. "It is one of the big tasks" facing the government, Hata told a session of the House of Representatives' Budget Committee.

The Agricultural, Forestry and Fisheries Ministry has already started reviewing existing farm policies, while the government is debating lifting its long-held ban on rice imports in line with the ongoing Uruguay Round of global trade talks.

Direct income compensation, particularly aimed at farmers in mountainous areas, is one of the core issues being discussed, sources at the ministry said. However, Finance Minister Hirohisa Fujii told reporters that he had not heard about such a plan, implying there is no consensus in the government on the issue so far.

Sakigake, JNP Back Acceptance of GATT Plan

OW1012092493 Tokyo KYODO in English 0831 GMT
10 Dec 93

[Text] Tokyo, Dec. 10 KYODO—Sakigake [Harbinger] and the Japan New Party (JNP) decided Friday [10 December] to back a government plan to accept a proposal from the General Agreement on Tariffs and Trade (GATT) on partial opening of Japan's rice market.

Executives of the two parties forming a unified parliamentary group in the ruling coalition made the decision at a joint meeting, party officials said.

The executives also decided to entrust Hiroyuki Sonoda, Sakigake's representative to interparty negotiations, with making a final decision on the group's position in bargaining sessions with other parties, they said.

The GATT proposal calls on Japan to give foreign rice producers minimum access of 4 to 8 percent of its annual rice consumption in exchange for a six-year moratorium on acceptance of the tariffication of all trade barriers without exception.

The tariffication proposal calls for replacing Japan's near-total ban on rice imports with a high tariff rate to be gradually phased out.

The minimum access proposal was advanced by German Denis, chairman of the GATT Market Access Negotiating Group, in a bid to have the Uruguay Round of global trade liberalization talks successfully completed on schedule next Wednesday.

Sonoda told a news conference after the meeting that he has to take into consideration "the two needs of protecting the nation's agricultural industry and bringing the Uruguay Round to a successful conclusion."

The government has to make a decision in a tough situation, he said.

Weevils Said Found in Rice Imported From PRC

OW1012094393 Tokyo KYODO in English 0921 GMT
10 Dec 93

[Text] Tokyo, Dec. 10 KYODO—Grain weevils have been found in rice imported from China, making it necessary to fumigate some 3,000 tons of the Chinese rice, the Ministry of Agriculture, Forestry and Fisheries said Friday [10 December].

Several grain weevils were found in the stitching of rice sacks on Monday when inspectors looked into Chinese rice unloaded at Yokosuka Port in Kanagawa Prefecture, a ministry official said.

The weevils are the first insects detected in rice imported so far this year to make up for a rice shortage caused by the poor harvest.

Grain weevils propagate in rice kept in storage and damage the rice, but have no ill effects on humans, according to experts.

"It's probably because of insufficient fumigation when the rice was shipped in China. But there are no problems concerning the quality and safety of the rice," the ministry official said.

The Chinese rice will undergo an agricultural chemical test after being fumigated, he said.

LDP Lawmakers Denounce Hosokawa on Rice Trade

OW1012061293 Tokyo KYODO in English 0553 GMT
10 Dec 93

[Text] Tokyo, Dec. 10 KYODO—The cabinet of Prime Minister Morihiro Hosokawa has lied to the public about the partial opening of Japan's rice market and deserves to be punished by a no-confidence motion, many legislators of the main opposition party said Friday [10 December].

At a meeting of all parliamentarians of the Liberal Democratic Party (LDP), the legislators slammed Hosokawa's government for its imminent decision to accept a GATT proposal that would partially lift the nation's rice import ban. They argued that the government decision, expected Saturday afternoon, should never be approved because the GATT proposal will eventually lead to the acceptance of comprehensive tariffication.

The proposal would exempt Japan's rice from tariffication for six years in exchange for opening 4 to 8 percent of its domestic market as the "minimum access" for imports.

The LDP legislators also blamed the government for its failure to tell from the beginning that under the proposal Japan will have to make additional concessions to avoid tariffication after the seventh year. Until Thursday, the government had said only that Japan will renegotiate with other GATT members in 1999, one year before the six-year period ends, over an extension of the moratorium.

"This is a deception of the public," fumed Kosuke Hori, head of an LDP panel on farm trade. "We can never approve the Uruguay Round negotiations."

"The Hosokawa government has fabricated a whole set of lies," said Seichi Eto, noting that the LDP must overthrow the Hosokawa cabinet.

Eiichi Nakao, who served as international trade and industry minister under the LDP rule, said every country has something on which it can make no concessions and spoke of the need to protect Japan's tradition based on rice.

"The emperor also plants rice," Nakao said. "We must fight for the nation."

Shin Sakurai asserted that the government is not trying to renegotiate with GATT member countries to reject any opening of the nation's rice market. Renegotiations are possible if Tokyo strongly insists, he said.

Former Transport Minister Shintaro Ishihara said that all city dwellers want is to eat safe and delicious rice, pointing to the danger of agricultural chemicals used on foreign rice.

Despite some opposition, LDP Secretary General Yoshiro Mori proposed that the party leave the final decision on the rice issue up to Kono and won approval.

At the close of the meeting, Kono told his fellow party members that he will quickly urge the government to reject the GATT proposal.

"I believe we should make clear politics shoulders heavy responsibility for the future," he said.

Coalition Cancels 10 Dec Leaders' Meeting

OW1012102993 Tokyo KYODO in English 1017 GMT
10 Dec 93

[Text] Tokyo, Dec. 10 KYODO—Japan may postpone a final decision on the opening of its rice market beyond Sunday, government sources said Friday [10 December].

The cabinet of Prime Minister Morihiro Hosokawa was earlier reported as being set to take the decision Saturday afternoon.

But Chief Cabinet Secretary Masayoshi Takemura told a news conference the cabinet needs to consider the dispatch of Foreign Minister Tsutomu Hata to Geneva before setting the date of the cabinet decision.

The ruling coalition has canceled Friday's meeting of leaders of the government and the seven ruling parties, which was scheduled to start at 8 P.M., Shinseito's Kozo Watanabe said.

The meeting was to discuss Japan's final response to a GATT proposal that urges Japan to partially open its rice market to foreign competition.

Rice Consumption Said Up in Third Quarter

OW1012135593 Tokyo KYODO in English 1101 GMT
10 Dec 93

[Text] Tokyo, Dec. 10 KYODO—Domestic per capita rice consumption grew 0.4 percent in the July-September period from a year earlier, the first increase in eight years, the Food Agency said Friday [10 December].

An agency official said the increase might reflect this year's cool and wet summer as in the case with hot noodles. The agency's statistics exclude rice consumed by rice farmers themselves.

SRV Official on Relations With U.S., Aid

OW1012134693 Tokyo KYODO in English 1255 GMT
10 Dec 93

[By Tim Johnson]

[Text] Tokyo, Dec. 10 KYODO—Vietnam's upcoming national party conference will "reorient" the country's top domestic policy considerations, Vietnamese Deputy Foreign Minister Vu Khoan said Friday [10 December].

Vu, in an interview with KYODO NEWS SERVICE, said the new priorities will be hammered out at the Vietnamese Communist Party's national congress, which is expected to meet in mid-January after the country's National Assembly wraps up its current parliamentary session.

"Under our policy of 'doi moi' (renovation) we have achieved some significant results and now we can reorient our priorities," Vu said. "We need to review our decisions and to decide what way to continue in order to push ahead our reform."

Vu was in Tokyo for a two-day international meeting on developments in Indochina. The gathering wound up Friday.

Outlining the new priorities in Vietnam's domestic policies, Vu said, "until now, we have focused efforts on (political and social) stability, but now we can pay more attention to development." He said that while Vietnam used to pay most attention to agriculture, it can now focus more on efforts to build production and social infrastructure in preparation for industrialization.

Vu said Vietnam also wants to pay increased attention to social problems "because the market economy brings with it some negative effects, some social problems, and gaps between different groups in the population and between rural and urban areas."

He said the reform program so far has enabled a 7.25 percent annual growth rate over the past three years, while inflation has dipped from the triple-digit rate of the mid-1980's to only about 6 percent this year.

Vietnam has been making efforts since the late 1980's to transform from a centrally-planned economic system to a market-oriented economy. But many observers warn the country risks long-term stagnation unless it establishes clear private property rights and institutes other key economic reforms.

Vu said that while private investment has been increasing at a rate of 15 percent a year, "we understand that (foreign investors) are facing with some difficulties in Vietnam."

He acknowledged that the country's legal system "is not so concrete," while its infrastructure "is very weak."

"It is impossible to solve these problems in a very short time. We need time, we need investment, and we need assistance from other countries in order to improve the situation step by step," he said.

Vu noted that the National Assembly is now discussing establishment of new laws on such matters as investment, bankruptcy, and protection of the environment. "This process will be continued very intensively," he said.

On the U.S. embargo against Vietnam, Vu lauded the fact that it has been relaxed by the administration of

President Bill Clinton, but said, "frankly speaking, we are tired of predicting the time of the lifting of the embargo."

"Vietnam wants to have a normal relationship with the United States," he said, adding that it would contribute to regional stability and mutually benefit the two countries.

Duplicate Soviet Satellites Arrive for Display

OW1012135693 Tokyo KYODO in English 1221 GMT
10 Dec 93

[Text] Yokohama, Dec. 10 KYODO—Three duplicates of satellites developed by the Soviet Union arrived in Yokohama on Friday [10 December] for eventual display at an exhibition.

The first Sputnik and the Soyuz reentry capsule were among them.

The Japanese company Space Age Japan acquired the satellites through a U.S. research organization.

A spokesman for the company said the duplicate satellites, which were used in research and development and did not actually go into space, cost "several hundreds of thousands of yen."

The satellites are to go on display at a space museum to open in Nagaoka, Niigata Prefecture, in 1997.

The Sputnik was the first artificial satellite to successfully orbit earth 36 years ago.

Japanese television journalist Toyohiro Akiyama became the first Japanese to orbit earth when he rode the Soyuz TM-11 capsule in December 1990.

Ethiopia Granted Access to Kansai Airport

OW1012042993 Tokyo KYODO in English 0359 GMT
10 Dec 93

[Text] Tokyo, Dec. 10 KYODO—Japan has agreed to provide Ethiopia access to the new Kansai International Airport, scheduled to open next September, Transport Ministry officials said Friday [10 December].

The agreement was reached in bilateral aviation talks held in Addis Ababa, they said.

Ethiopia plans to launch two flights a week to the airport in Osaka Bay, which will be Japan's first 24-hour airport, using 230-seat Boeing 767 aircraft, the officials said.

Ministry Plans To Increase Public Housing Fund

OW1012140393 Tokyo KYODO in English 1046 GMT
10 Dec 93

[Text] Tokyo, Dec. 10 KYODO—The Construction Ministry plans to increase appropriations for the government-financed Housing Loan Corp. in the fiscal 1994

budget. Construction Minister Kozo Igarashi told the Diet on Friday [10 December].

Igarashi told the House of Councillors Budget Committee the corporation will be able to provide loans for more than 600,000 housing unit starts in the year beginning April 1. He said the corporation's reserves were boosted this year to finance construction of 700,000 units, up from from the original 550,000 units.

The minister said the step was in line with the government's efforts to stimulate the domestic economy.

Igarashi said the ministry is also considering easing regulations on housing construction, primarily on underground floors.

Agency Reports Economy Grew in Jul-Sep Quarter

OW1012142193 Tokyo KYODO in English 0943 GMT 10 Dec 93

[Text] Tokyo, Dec. 10 KYODO—The Japanese economy grew in the July-September quarter, boosted by a pickup in private-sector demand, the Economic Planning Agency (EPA) said Friday [10 December].

The nation's real gross domestic product (GDP) in the quarter increased 0.5 percent from the preceding three months and grew at an annualized rate of 2.0 percent, the agency said in a preliminary report.

An agency official said a rebound in consumer spending and a sharp growth in housing-related spending more than offset a continued downswing in corporate capital spending. EPA Vice Minister Tsutomu Tanaka said the figures attested to the underlying strength of the Japanese economy.

The economy was crawling along the bottom of a trough but did not plunge into a double-dip recession during the quarter, he added.

In the April-June quarter, real GDP shrank a revised 0.5 percent. Japan's real gross national product (GNP) for the July-September period climbed a preliminary 0.4 percent from the previous quarter and grew at an annualized 1.5 percent.

GNP and GDP are the total value of goods and services produced by a country, with the difference that GDP excludes net income from abroad. Real GNP and GDP figures are adjusted to take account of inflation. Starting with the July-September period, the EPA switched the emphasis from GNP to GDP to assess the nation's economic trends more accurately.

Domestic demand contributed to pushing up the July-September GDP by 0.4 percentage point and external demand by 0.1 percentage point, the agency said. Demand from the private sector rose 0.4 percent during the quarter in a turnaround from a revised 0.5 percent decline in the April-June quarter.

Of private demand, consumer spending, one of the prime engines of the economy, increased 0.4 percent over the previous quarter, following a 0.6 percent drop in the preceding quarter, reflecting higher sales of furniture and some household electrical appliances against the background of growing housing-related spending.

Housing investment advanced a marked 9.0 percent compared with a 2.7 percent gain in the April-June quarter.

The official said the higher housing spending resulted from falling interest rates for housing loans and an expanded quota for housing construction under low-interest-rate public loan programs.

Another major GDP component, corporate capital spending, decreased 1.6 percent for its eighth consecutive quarterly decline.

Private-sector inventories remained unchanged, the agency said.

Public demand edged up 0.2 percent. Government spending gained 0.7 percent. Public fixed capital formation rose only 0.9 percent, reacting to a steep 4.2 percent increase in the April-June quarter, when large public works projects were budgeted under the government's 13.2 trillion yen pump-priming package adopted in April, the official said. Exports climbed 0.7 percent in the July- September on larger shipments of electrical appliances, and imports edged down 0.1 percent.

Domestic prices were generally stable, with GDP deflator rising 0.9 percent. Tanaka told a news conference that the GDP reading for July to September was "better than expected."

A series of stimulus measures by the government have helped push up personal spending, such as housing-related goods and spending on entertainment-related services, Tanaka said.

He also said the yen's slight depreciation against the dollar in September after its record high in the previous month also prevented corporate performances from further deteriorating.

Tanaka said early enactment of the second supplementary budget for fiscal 1993, which will finance the government's 6.15 trillion yen economic package unveiled in September, may facilitate corporate stock adjustment, thus helping the Japanese economy shift to a track of a sustained growth without inflation.

He cited gradual worsening of the nation's employment situation as a major source of concern that would hamper the economy's early recovery. The EPA will closely watch economic developments in order to see if the government's scenario for an economic pickup in the second half of fiscal 1993 is still valid, Tanaka said.

The situation for the whole of calendar year 1993 will remain "severe," he said. The EPA said Japan's real

GNP needs to grow an average 4.11 percent in the remaining two quarters of fiscal 1993 in order to attain the government's growth target of 3.3 percent.

Masaru Takagi, chief economist at Fuji Research Institute, said the latest GDP reading does not accurately reflect the severity of the economic slump long gripping Japan.

Housing investment grew markedly while public works spending showed a large advance, particularly from a year before, due to the incremental effects of the government's past economic measures, Takagi said. But he quickly added that the July-September showing was mainly a rebound in reaction to the previous quarter's contraction. Unless corporate capital spending, a major engine of GDP, picks up soon, Japan's economy will basically remain in the doldrums, he said.

Real GDP for the October-December period is most likely to turn lower or level off at best. Japan's economy will score zero growth for fiscal 1993 as a whole ending in March, he said.

An income tax cut of about 10 trillion yen and added infusions of public funds for large-scale new infrastructure projects are needed "without delay" to revive the ailing economy, Takagi said.

Yukio Yambe, chief economist at Dai-Ichi Kangyo Bank, a bit surprised by the uptrend in the GDP, said the economy is beginning to show signs of a pickup. Yambe said the latest GDP figure is more reflective of the actual state of the economy than the Bank of Japan's November "Tankan" business sentiment survey released Friday, which showed a further erosion in corporate managers' confidence.

Household stock adjustment is apparently progressing smoothly, judging from the recovery in consumer spending reflected in the latest GDP statistics and despite the cool, wet summer this year, he said.

Survey Shows Increased Economic Downward Risk

OW1012103793 Tokyo KYODO in English 0656 GMT
10 Dec 93

[Text] Tokyo, Dec. 10 KYODO—The Bank of Japan's latest survey of business confidence released Friday [10 December] raised the prospect of downward risks of the Japanese economy with higher chances seen for a recovery in the next year instead of the current fiscal year. The closely watched "tankan" quarterly survey conducted in November showed that Japanese companies lost further confidence amid the prolonged slump in personal consumption and corporate capital spending.

"The survey confirmed the stagnant economy with no signs for a recovery," Kagehide Kaku, director of the central bank's Research and Statistics Department, said during a news briefing.

"Downward risks increased from the previous August survey...and chances have become higher for a recovery in the next fiscal year while those for the second half of the current fiscal year (as the central bank has been maintaining) decreased," he said.

The diffusion index of business sentiment among major manufacturers waned further to minus 56 from the previous survey's 51, posting the second worst since minus 67 in the August 1975 survey after the first oil crisis in 1973.

The index for major nonmanufacturers continued to deteriorate, dropping to the record low of minus 47 from minus 41.

The survey covered 10,011 companies, including 713 major firms, and based on the replies the central bank compiles the diffusion indexes that represent the percentage of companies answering "positively" minus those responding "negatively."

"Economic direction depends on labor condition," Kaku said. Labor figures are lagging economic indicators.

The labor index, or the net saying excessive labor, for major manufacturers and nonmanufacturers came to plus 26, deteriorating from plus 19. But according to the central bank's hearings, Kaku noted, "all companies said they are not planning on drastic labor cutbacks."

Another major component of the survey, the index of product inventory, or net saying excessive stockpiles, was unchanged at plus 32 as Kaku analyzed as taking a breather from steady stock cutbacks. But he warned that stockpiles still remain at high level.

Reflecting the gloomy business, major manufacturers and nonmanufacturers revised downward their capital investment plans for the current fiscal year by 1.6 percentage points from the previous survey to a year-on-year 7.5 percent decline.

Major manufacturers trimmed their projections of pretax profit for the current fiscal year by 17.4 percentage points to a year-on-year 26.3 percent drop, and nonmanufacturers by 11.1 points to a 17.8 percent fall. But Kaku saw some bright signs on a half-year basis with the expected decline pace slowed for both of them in the second half.

He also noted that restructuring efforts helped companies reduce labor and depreciation costs. The figures are not included in the survey.

Stressing the expected effects of the latest monetary and fiscal measures, Kaku said, "a spiral setback (of the economy) is unlikely." The Bank of Japan recently cut the official discount rate to a record low 1.75 percent, and most public works included in the government pump-priming package are still not executed, he said.

The polled companies also showed expectations of an improvement ahead even when deducting their "optimistic bias," he added.

Major manufacturers said they hope business confidence to improve to minus 51 in the next survey, and nonmanufacturers expect an improvement to minus 41.

The same was true for all other indicators. This contradicts most of the private research institutes' recent economic forecasts that expect a slow recovery only in the second half of the next fiscal year, even if the government conducts an income tax cut and the central bank cuts the official discount rate further.

James Vestal, chief economist at Barclays de Zoete Webb Securities (Japan) Ltd., said business confidence "has fallen, but I wouldn't say it's fallen more than expected." But he said the indexes are "at best coincident indicators" and voiced concerns over "a definite deterioration" in employment plans.

"It shows that further policy stimulus is needed," he said, urging more monetary easing to jack up housing spending and to reduce corporate interest burdens and help them avoid layoffs.

The central bank's Kaku declined to comment on interest rates, saying "it's outside my job."

Jesper Koll, chief economist at S.G. Warburg Securities (Japan) Inc. also said the survey was "basically as expected."

"But the bottom-building process will be long and painful and it will last until next summer," he said.

Fujii Vows Action 'To Prop Up' Stock Market

OW1012025693 Tokyo KYODO in English 0228 GMT
10 Dec 93

[Text] Tokyo, Dec. 10 KYODO—Finance Minister Hirohisa Fujii hinted Friday [10 December] at new pump-priming measures and vowed to take early action to prop up the flagging stock market.

"The government will start discussing the economic state after the (Diet) passage of the second supplementary budget," Fujii told reporters after the morning Cabinet meeting. He was referring to remarks made by Chief Cabinet Secretary Masayoshi Takemura on Thursday about the chances of compiling a third supplementary budget.

But Fujii said he is "not thinking of a third extra budget at the moment."

Meanwhile, he repeated his "grave interest" concerning the floundering stock market and said his ministry wants to ease regulations "as soon as possible" in a bid to stimulate the market.

Fujii did not rule out the possibility of taking the stock measures aside from the expected economic stimulus

package. His ministry is already studying proposals submitted by the securities industry to ease regulations.

Fujii rejected imminent resumption of new share issuances by companies, saying he will "closely watch market conditions."

Market-price equity increases by private corporations were suspended in April 1990 as the market fell into heavy oversupply, after companies had rushed to raise funds through that method during the "bubble" stock boom in the late 1980s.

But Fujii indicated his readiness to give the go-ahead after the market recovers, saying it was "natural" for funds to flow into reputable companies.

He also brushed aside a reported proposal by one of the ruling coalition parties to use the government's fiscal loan and investment program for purchasing land used as collateral for nonperforming loans.

The criteria for using the program is "soundness," Fujii said, adding that he has not heard about the proposal directly. But he reiterated that he wants the government to take action to stimulate the liquidity of the real estate market.

Bigger Tax Break for House Buyers Urged

OW1012065993 Tokyo KYODO in English 0542 GMT
10 Dec 93

[Text] Tokyo, Dec. 10 KYODO—Construction Minister Kozo Igarashi asked Cabinet colleagues Friday [10 December] his call for increased special tax allowances for second-time house buyers as a way to boost the sagging economy.

Officials said Igarashi, in a plea to Finance Minister Hirohisa Fujii and Trade Minister Hiroshi Kumagai, called for a higher ceiling for the special treatment for house buyers and also an easing of the levy on land sales.

He wants the measure to be included in the fiscal 1994 budget that will be finalized soon, and also in the tax reform plan for the next fiscal year starting April 1.

The officials said Igarashi also wants to ease conditions for extending government housing loans and other measures that can be achieved through deregulation, and to promote early purchases of land by public corporations for public projects.

Fujii and Kumagai basically supported Igarashi's proposal but said details will have to be scrutinized, the officials said.

Tax Panel Decides To Investigate Unfair Taxes

OW1012095793 Tokyo KYODO in English 0900 GMT
10 Dec 93

[Text] Tokyo, Dec. 10 KYODO—A government tax panel decided Friday [10 December] to conduct surveys

to find out more about taxes that allow for preferential treatment, or that are perceived to be unfair, in order to gain a clearer picture of the tax system before debating reform.

The surveys will investigate tax exemptions for religious groups and loss-incurring companies, Panel Chairman Kan Kato told reporters after a scheduled meeting. "We must first make them clear," he said, noting that not all religious groups are "evil" as generally perceived.

Meanwhile, Kato indicated concrete proposals to change unfair systems may not be included in the tax reform for fiscal 1994, saying "it takes time...and will be difficult for next fiscal year."

The tax commission, an advisory panel to the prime minister, is now working on fiscal 1994 tax reform.

Kato said the panel will set up subcommittees at the next meeting Tuesday to start full discussions on concrete reform items.

Government Urged To Relax Rules on Prices

*OW1012151293 Tokyo KYODO in English 1131 GMT
10 Dec 93*

[Text] Tokyo, Dec. 10 KYODO—A study group working for the Fair Trade Commission on Friday [10 December] urged the government to eliminate regulations on businesses and prices to help promote competition.

In a report on government control and competition policy, the group criticized such regulations for undermining efficiency in business activity and a market mechanism.

The group, led by Senshu University Professor Toshimasa Tsuruta, said distribution and transportation should be given priority in getting rid of such regulations.

Regulations in such sectors include a license requirement system for liquor retailers and tight rules on taxi fares in the same area.

Oil and utilities sectors should also be considered for future deregulation, the group said.

Cabinet Approves New Prosecutor General

*OW1012012393 Tokyo KYODO in English 0049 GMT
10 Dec 93*

[Text] Tokyo, Dec. 10 KYODO—The cabinet approved Friday [10 December] the nomination of Yusuke Yoshinaga as the new public prosecutor general, government officials said.

Yoshinaga, 61, who headed the investigation into the 1970s Lockheed payoff scandal, [replaces] Yasutaka Okamura, who is retiring at the age of 64.

Yoshinaga worked for more than 13 years in the Special Investigation Department of the Tokyo District Public Prosecutors Office and has played an active role in investigating many bribery cases involving politicians, including the recruit "stocks-for-favor" scandal in the 1980s.

A graduate of Okayama University, he has served as chief of the Tokyo District Public Prosecutors Office, the Hiroshima High Public Prosecutors Office and the Osaka High Public Prosecutors Office since becoming a prosecutor in 1955.

Yoshinaga became superintendent public prosecutor of the Tokyo High Public Prosecutors Office in July this year.

Group Seeks Structural Reform of Agriculture

*OW1012140493 Tokyo KYODO in English 1116 GMT
10 Dec 93*

[Text] Tokyo, Dec. 10 KYODO—A research group on the agricultural system appealed to the government Friday [10 December] for structural reforms to strengthen the foundations of Japan's agriculture.

The forum, led by Mamoru Sawabe, head of the Japan Grain Inspection Association, said the appeal was made to the Ministry of Agriculture, Forestry and Fisheries in a report summing up its year-long study.

The report called for measures to expand the scale of farming to boost productivity and improve agricultural management.

Steps have to be taken to reactivate agricultural operations and promote environmentally friendly farming, the report said.

Emphasis should be placed on assistance to farming households with high yields and strong enthusiasm about improving agricultural management, it said.

MITI Survey Reports on Tertiary Industry

*OW1012095893 Tokyo KYODO in English 0712 GMT
10 Dec 93*

[Text] Tokyo, Dec. 10 KYODO—Business activity in the tertiary industry in the July-September period edged down a seasonally adjusted 1.0 percent from the previous quarter for the first quarterly decline in three quarters, the Ministry of International Trade and Industry said Friday [10 December].

The business activity index for the tertiary industry, which includes most industrial sectors except manufacturing and farming, stood at 135.3 in the third quarter of 1993 against 100 in the base year of 1985, compared with 136.7 in the April-June period, the ministry said in a quarterly survey report.

As well as sluggish private consumption and slow business activities, a long spell of rain and unusually cool summer contributed to the fall in the tertiary industry activity, the ministry said.

The index inched down 0.3 percent from the same period last year, after marking an increase of 0.4 percent for the April-June period for the first year-on-year rise in four quarters.

By industry, financial and insurance businesses declined for the first time in five quarters by falling 0.2 percent from the previous three-month period. On a yearly basis, however, they were up 5.0 percent.

Wholesale, retail, and restaurant business activity fell 0.7 percent from the previous quarter for the sixth straight quarterly fall due to dull private consumption amid the nation's sluggish economy, down 2.4 percent from a year earlier.

Service businesses retreated 1.6 percent from the previous quarter, following a 0.8 percent quarterly fall in the April-June period, down 1.5 percent from a year before.

In contrast, business in the real estate sector marked a 2.1 percent quarterly rise and a 6.1 percent yearly increase, mainly due to brisk sales of condominiums.

Public's Attitude Toward Construction Industry

OW0912190693 Tokyo NHK General Television Network in Japanese 1029 GMT 9 Dec 93

[Announcer-read report on an NHK poll on scandals involving Japanese construction companies; from the "News 7" program]

[Text] In an NHK poll, the majority of those surveyed said that a series of bribery cases involving construction companies are mainly caused by inappropriate business practices, and over 50 percent said that retiring bureaucrats must not seek jobs in the industrial fields that they oversee.

On 4 and 5 December, NHK interviewed 1,800 eligible voters and obtained responses from 1,183 voters, or 65.7 percent of those polled.

In reply to a question which asked the causes of a series of bribery cases involving major construction companies, 36 percent said that inappropriate business practices—such as bid rigging and retiring bureaucrats' ex officio acquisition of well-paying jobs in the private sector—are the biggest reasons for such scandals. Following this, 19 percent said that governors and mayors have too much power over public work projects, and 18 percent said that these scandals were caused by some local government leaders having no sense of morality.

When asked about retiring government officials' landing private sector positions, over 50 percent said that such a practice must be prohibited immediately. Including those who wanted stronger control over bureaucrats' ties

with the business sector, 86 percent said that the business sector's warm treatment of retired bureaucrats is questionable. Moreover, 85 percent said that bid rigging must be prohibited as well. Those polled thus showed severe attitudes toward the business practices of construction companies.

In response to possible measures for preventing such scandals, 57 percent wanted more severe criminal and administrative penalties for bribery. Others called for such measures as establishing political ethics, a review of public works contracts, and stricter auditing of companies' accounting reports.

Government Panel Urges Product Liability Law

OW1012105393 Tokyo KYODO in English 0750 GMT 10 Dec 93

[Text] Tokyo, Dec. 10 KYODO—A government panel recommended to Prime Minister Morihiro Hosokawa on Friday [10 December] that Japan should introduce a product liability law to protect consumers against faulty goods.

The social policy council, an advisory body to the premier, called on the government to pass a law under which consumers seeking compensation would only have to prove that a product was defective, instead of having to prove negligence by the maker, as at present. Under the proposed law, a manufacturer would be held liable if its products caused damage or injury to consumers or their possessions.

It took nearly 20 years for the council to finalize the recommendations since it started in 1975 to study consumer protection against defective products. Upon receiving the recommendations, the government will start drawing up a product liability law proposal for submission to the next ordinary Diet session at the earliest.

The new law will relieve injured consumers of the burden of proving that the maker could have known when the product was developed that it was dangerous, as is the case under the current civil law. Plaintiffs will have to prove the products are in fact defective, but regardless of whether the defects resulted from negligence by the producer.

The council also advised that makers not be held liable for defects that are unpredictable when the products were developed. It said this is to avoid discouraging producers from pursuing research and development and technological innovation, which would work to the disadvantage of consumers in the long run.

At the same time, the council called for further study on compensation for defects deemed unforeseeable during product development. In this respect, it may be desirable to remedy injuries or damages by holding the whole of society responsible for damage resulting from technical

development rather than imposing liability only on makers or sellers of particular products.

Such remedy could be arranged through the social security system or in some other way, the panel said.

It suggested the period of liability be limited to 10 years after the products are put on the market.

But for damages arising many years after the product was used, such as those from chemicals, the council recommended liability should last 10 years after the occurrence of the damage or awareness of it.

Plaintiffs in principle will have to show that the product was defective when it was put on the market. The council suggested, however, that defendants, or manufacturers, be partially responsible for the proof by flexibly employing de facto assumption of a causal relation between injury and defects.

The new system should cover only movable final products and exclude unprocessed agricultural, forestry and fisheries goods, real estate, and other intangible goods like electricity or services, the panel said.

Compensation should cover personal injuries and damage to individual belongings [words indistinct] include material damage incurred by corporations or business groups. The cost of defective products themselves can be reimbursed on a case-by-case basis.

As well as manufacturers, importers and entities declaring themselves as producers should also be liable for damage caused by their imports or products, the council said.

As for the definition of defects, the council recommended criteria for judging defects be specified as much as possible, following the example of the European Community (EC) system.

The EC directive stipulates that a product is defective when it does not provide the safety which a person is entitled to expect, taking all circumstances into account, including the presentation of the product, reasonably predictable use and the time when the product was put into circulation.

Among additional specific elements the council urged taking into account are usefulness and utility of the product, technical feasibility of avoiding damage, probability of damage, the user's ability to avoid the danger, and normal period for use.

The council advised including "consolation money" in the compensation for personal damages, and excluding exemptions or limits to reimbursement, which the EC has adopted.

It also suggested that the introduction of the product liability law may be insufficient to remedy injury to consumers, calling for a comprehensive consumer protection policy.

The council urged improving systems to investigate the cause of damage with a view to helping consumers prove products defective, as well as enlarging out-of-court dispute settlement arrangements to compensate consumers for small damages.

North Korea

Radio Cites Clinton Remarks on Nuclear Issue

SK0912231493 Pyongyang Korean Central Broadcasting Network in Korean 2123 GMT 9 Dec 93

[Text] U.S. high-level authorities have recently talked about the peaceful and diplomatic solution of the nuclear issue on the Korean peninsula.

U.S. President Clinton said on 2 December to reporters in Washington that he is still convinced of a peaceful settlement to the conflict [punjaeng] with North Korea, that he would not overreact [kwaingbanungul haryo haji annunda], and that he would continue to pursue a diplomatic strategy. He also said on 6 December to reporters that although he is not satisfied with the position of the North Korean side, he is still hopeful to reach an agreement.

U.S. Vice President Albert Gore said in a television interview on 5 December that the current conflict is not likely to be turned into war.

Warren Christopher, U.S. secretary of state, said on 4 December that there is a good point in North Korea's proposal. A spokesman for the U.S. State Department said that because there is a prospect for diplomatically resolving the nuclear issue, the United States will continue to make efforts for dialogue with North Korea, and that we believe good plans for the settlement of the nuclear issue will be formulated in the process of future negotiations.

KCNA Cites Clinton, Gore Remarks

SK1012042093 Pyongyang KCNA in English 0408 GMT 10 Dec 93

[Text] Pyongyang, December 10 (KCNA)—U.S. high-ranking officials recently suggested a peaceful, diplomatic solution to the nuclear problem of the Korean peninsula.

U.S. President Clinton told reporters on December 6: "We are not entirely satisfied with North Korean response. But I am hopeful that we can work something out."

The U.S. vice-president in a television interview on December 5 said that the present dispute will not inevitably lead to war. U.S. State Secretary Warren Christopher said on December 4 that there are some good aspects in the proposal of North Korea.

The U.S. State Department spokeswoman said that U.S. efforts to solve the issue through dialogue would continue as there is a prospect for diplomatic solution.

We believe that a good solution would be found in future negotiations, she added.

South Denounced for 'Infiltrating' Ships

SK1012004093 Pyongyang Korean Central Broadcasting Network in Korean 1152 GMT 7 Dec 93

[Commentary by Chong Pong-kil: "Very Dangerous Military Provocation Activity"]

[Text] The Kim Jong-sam puppet ring's new war provocation maneuvers to ignite the fuse of a new war in our country are more viciously being conducted. According to a report, the South Korean puppets committed a grave military provocation activity by illegally infiltrating a group of combat ships deep into our side's territory on the West Sea on 5 December.

At around 1358 GMT [1058 GMT] on 5 December, in broad daylight, the South Korean puppets openly infiltrated three combat ships based at Taechongdo into our side's territorial waters. The group of combat ships, which infiltrated deeply into our side's territorial waters, undertook a combat formation and traveled to the sea near Mahapto, Chaejak-ri, Ongjin-County, South Hwanghae Province, with the purpose of realizing a hostile attempt.

The Korean People's Army's Navy patrol ships, which were thoroughly defending the sea guard posts of our socialist fatherland, immediately went to the spot and the sea-based cannons [haesangpo] undertook a combat posture to take a self-defensive measure. Taken by surprise, the rascals hurriedly fled southward.

The Kim Jong-sam puppet ring's reckless maritime infiltration activity is a deliberate and premeditated military provocation maneuver to drive the tension on the Korean peninsula into the brink of war by artificially aggravating the tension there.

As everyone knows, the tension on the Korean peninsula has been greatly aggravated. The imperialists, including the United States, Japan, and their following countries, are babbling about the so-called sanctions under the pretext of our nonexistent nuclear development. They are running wild for new war provocation maneuvers to gain military supremacy over our people.

When announcing the results of the so-called U.S.-South Korean summit talks, while finding fault with us, U.S. President Clinton made an outburst that if someone attacks, he will pay dearly. Worse still, some of the U.S. officials are indiscreetly spinning out absurd remarks greatly provoking us.

While saying that they would not rule out even a military countermeasure, the South Korean warmongers are

accelerating new war preparations. By mobilizing enormous troops and enough war facilities to conduct a war, the United States and the South Korean belligerent elements conducted the Foal Eagle-93 nuclear war exercise and Hwarang war exercise, which simulate a northward invasion war. They have daily conducted war exercises in the sky, on the ground, and in the sea in South Korea.

Along with this, the Kim Jong-sam group plans to bring 317 missiles, such as 190 new intermediate range air-to-air missiles and 127 short-range air-to-air missiles, into South Korea from the United States.

The reckless military moves by the United States and Kim Jong-sam's ring are not a simple threat against us but actually a notification [yego] of a war activity. We can never overlook this.

Under the circumstances in which the gunshots for a northward invasion war exercise are constantly ringing out and in which the frantic maneuvers to reinforce armed forces are accelerated, the military provocation activities, which have been conducted along the areas of the Military Demarcation Line, are very dangerous activities that can be seen on the eve of a war.

Kim Jong-sam's ring purposely infiltrated the group of combat ships deeply into our side's territorial waters on the West Sea to find a pretext for a new war. Situation shows that a war against us can break out on the Korean peninsula at any time. This causes deep concern of the entire nation and the world's peace loving people.

It is become clearer who wants peace and who wants war on the Korean peninsula. Kim Jong-sam's ring is constantly rushing headlong toward the road of war against the entire nation desiring peace and peaceful reunification. This more clearly shows that the rascals are military gangsters and warmongers' groups under the disguise of the civilian-controlled government.

Kim Jong-sam's ring is committing indelible crimes before the country and the nation with each passing day. Even though less than a year has passed since Kim Jong-sam's ring has seized power, it has been denounced and rejected by the people. Thus, Kim Jong-sam's ring is driven into a corner. Kim Jong-sam's ring is trying to get out of the corner through a war. This is a useless delusion like a newborn puppy knowing no fear of a tiger.

It is said that those who enjoy fire cannot avoid the fate of a tiger moth.

Kim Jong-sam's puppet ring should deeply consider the grave consequence to be entailed by reckless war maneuvers and should not act rashly.

VNS Alleges ROK-U.S. 'Secret Deal' on Rice

*SK1012042293 Pyongyang KCNA in English 0405
GMT 10 Dec 93*

[Text] Pyongyang, December 10 (KCNA)—Radio Voice of National Salvation [VNS] in Seoul released a commentary denouncing the traitor Kim Yong-sam's secret deal with the United States over the rice market opening.

According to the radio, during his U.S. trip in November, Kim Yong-sam the puppet gave a top secret order to his close "aides of Chongwadae" accompanying him to promise to the U.S. side to totally open the South Korean rice market in return for the United States' maintenance of an "international cooperation system" and refusal of the North-proposed formula of a package solution of the nuclear problem.

"This was disclosed by a reporter of a leading U.S. paper who asked for anonymity," said the radio.

It noted that the traitor Kim Yong-sam's voluble talk about "an announcement to the people" and the like with regard to the rice market opening problem was nothing but a trick to honour his secret promise to the United States.

"The traitor Kim Yong-sam who will not hesitate to drive the South Korean agriculture to bankruptcy and cut off the lifeline of the peasants by opening the rice market in exchange for doing harm to the North where fellow countrymen live, must tell the people quickly the truth of his secret negotiation with the U.S. side," the radio urged.

Daily on Kim Yong-sam's 'Scheme' for Rice Market

*SK1012051893 Pyongyang KCNA in English 0419
GMT 10 Dec 93*

[Text] Pyongyang, December 10 (KCNA)—It is entirely natural that South Korean people of all walks of life should fight against the traitor Kim Yong-sam's scheme to open the rice market, stresses NODONG SINMUN today.

The news analyst says:

It is a vital issue related to the existence of farmers and the destiny of agriculture to check the rice market opening in South Korea.

The South Korean farmers now have to choose whether to sit calmly and die after allowing the inflow of foreign agricultural produce or to fight against it.

In a "statement to the people" the traitor Kim Yong-sam contended that the opening of the rice market was unavoidable. But it was a trick to conceal the treacherous crime of his clique and cheat the people.

With no trick, however, can Kim Yong-sam justify his perfidious act of opening the rice market.

The South Korean people are resolved never to pardon the traitorous clique of Kim Yong-sam who sell off the interests of the country and the nation without hesitation for the sake of their government power.

The Kim Yong-sam puppet clique will meet their destruction in face of a stronger protest of the people.

Papers Denounce South's Red Cross on POW Issue

*SK1012004293 Pyongyang KCNA in English 2308
GMT 9 Dec 93*

[“Act of Trampling on Humanitarianism and Patriotism”—KCNA headline]

[Text] Pyongyang, December 9 (KCNA)—NODONG SINMUN and MINJU CHOSON in signed commentaries today strongly demand the South Korean Red Cross to take a measure for delivering to the North side the letter and relics of POWs of the Korean People's Army found in the remains of the POW camp on Koje island and unconditionally send old men Kim In-so and Ham Se-hwan, POWs and unconverted long-term prisoners, back to the northern half of Korea.

It is unreasonable in view of Red Cross humanitarian idea and compatriotism and in light of the principles of the international law that the South Korean Red Cross refused to send the two old men back to their native place, the northern half of Korea and to deliver the letter and relics, says a commentary of NODONG SINMUN.

This proves that the South Korean Red Cross is acting an abigail of Kim Yong-sam puppet authorities who flatter the foreign forces, incite confrontation among fellow countrymen and destroy national reconciliation and unity, the commentary notes.

If the South Korean Red Cross averts the humanitarian questions to be solved before anything else and evades its responsibility, it will commit a crime indelible down through generations, says the commentary. The South Korean Red Cross should not act an abigail of the authorities but return to its true humanitarian stand, stresses the commentary.

Further on Visit by Iranian Defense Minister

Meets O Chin-u 8 Dec

*SK0912152593 Pyongyang KCNA in English 1112
GMT 9 Dec 93*

[Text] Pyongyang, December 9 (KCNA)—Minister of People's Armed Forces O Chin-u Wednesday met and had a friendly talk with Mohammad Foruzandeh, minister of Defence and Armed Forces Support of Iran, who paid a courtesy call on him.

Present on the occasion were vice-minister of People's Armed Forces Kim Kwang-chin and Iranian Ambassador to Korea Hasan Taherian.

Joint Committee Minutes Signed

*SK1012051693 Pyongyang KCNA in English 0416
GMT 10 Dec 93*

[Text] Pyongyang, December 10 (KCNA)—The 5th meeting of the inter-governmental joint committee for economic and scientific-technological cooperation of Korea and Iran was held in Pyongyang.

Minutes of the meeting was signed on December 9.

Present at the signing ceremony on the Korean side were Yi Song-tae, chairman of the State External Economic Affairs Commission, and officials concerned and on the Iranian side were members of the government economic delegation of the Islamic Republic of Iran headed by Mohammad Foruzandeh, minister of Defence and Armed Forces Logistics, and Iranian Ambassador to Korea Hasan Taherian.

Kim Chong-il Receives Gift

*OW1012130593 Pyongyang KCNA in English 1059
GMT 10 Dec 93*

[Text] Pyongyang, December 10 (KCNA)—The dear leader Comrade Kim Chong-il received a gift from the Government economic delegation of the Islamic Republic of Iran headed by Mohammad Foruzandeh, minister of defence and armed forces support.

The gift was handed to an official concerned.

Kim Il-song Receives Gift

*OW1012132193 Pyongyang KCNA in English 1100
GMT 10 Dec 93*

[Text] Pyongyang, December 10 (KCNA)—The great leader President Kim Il-song received a gift from the government economic delegation of the Islamic Republic of Iran headed by Mohammad Foruzandeh, minister of defence and armed forces support.

The gift was handed to an official concerned.

Further on Visit by Lao State, Party Delegation**Delegation Tours Pyongyang**

*SK1012002493 Pyongyang KCNA in English 2312
GMT 9 Dec 93*

[Text] Pyongyang, December 9 (KCNA)—The Lao party and Government delegation headed by Khamtai Siphandon, chairman of the Central Committee of the Lao People's Revolutionary Party and premier of the Government of the Lao People's Democratic Republic, visited some places in Pyongyang today.

The guests called at the tower of the chuche idea and looked round the vestibule of the tower where stones from many countries are on display and the group sculptures on either side of the tower, hearing an explanation about the tower.

They commanded a bird's-eye view of Pyongyang from the observatory of the tower.

The delegation visited Kim Il-song Military University.

They saw round military educational facilities with keen interest, while being briefed about the history of the university which has trained many competent military commanders armed with the chuche-based military ideas and theories and latest military science and technology under the wise guidance of Comrade Kim Chong-il, supreme commander of the Korean People's Army.

The Lao guests also visited the Mangyongdae School Children's Palace, a modern comprehensive extracurricular educational centre.

They went round circle rooms, an indoor stadium and the swimming pool and saw a performance by the art circle members of the palace.

At the accordion room, Khamtai Siphandon congratulated the circle members on their excellent artistic skill and posed for a souvenir picture with them.

Some members of the delegation visited the Grand People's Study House and the Mansudae Art Studio.

Kim Il-song Calls on Lao Premier

*OW1012113693 Pyongyang KCNA in English 1114
GMT 10 Dec 93*

[Text] Pyongyang, December 10 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, today called on Comrade Khamtai Siphandon, chairman of the Central Committee of the Lao People's Revolutionary Party and premier of the Government of the Lao People's Democratic Republic, at the guest house.

President Kim Il-song was greeted at the guest house by Premier Khamtai Siphandon and the members of the Lao Party and Government delegation.

He had a talk with Premier Khamtai Siphandon in a cordial and friendly atmosphere.

Premier Khamtai Siphandon expressed deep thanks to President Kim Il-song for the hospitality accorded him during his visit to Korea.

President Kim Il-song exchanged warm parting words with Premier Khamtai Siphandon.

Visits KPA Unit, Other Places

*OW1012124893 Pyongyang KCNA in English 1054
GMT 10 Dec 93*

[Text] Pyongyang, December 10 (KCNA)—The Lao Party and Government delegation headed by Khamtai Siphandon, chairman of the Central Committee of the Lao People's Revolutionary Party and premier of the

government of the Lao People's Democratic Republic, is in the fourth day of its stay in Korea.

It visited the Chon Sok-Chong unit of the Korean People's Army (KPA) today.

The guests watched the training of soldiers of the unit who have been prepared to defeat any formidable enemy at one stroke by strengthening combat capability in every way, upholding with loyalty the leadership of Comrade Kim Chong-il, supreme commander of the Korean People's Army.

The delegation visited the University of National Economy, a training centre of nation's economic officials.

The guests looked round with keen interest research rooms which concentrically show the uniqueness and validity of the Taean work system and agricultural guidance system, the superior communistic enterprise management systems created by the great leader President Kim Il-song, and other research rooms devoted to different fields of the national economy.

It was shown round Pyongyang metro, too.

Kim Il-song Meets With Chongnyon Delegations

SK0912140393 Pyongyang KCNA in English 1124
GMT 9 Dec 93

[Text] Pyongyang, December 9 (KCNA)—The great leader President Kim Il-song today received delegations of the General Association of Korean Residents in Japan (Chongnyon) on a visit to the socialist homeland.

The members of the delegations extended the highest glory and thanks to President Kim Il-song reflecting the unanimous loyalty of all the Chongnyon functionaries and 700,000 Koreans in Japan, and wished him good health and long life.

President Kim Il-song had a cordial talk and posed for a souvenir picture with them.

Chongnyon Groups Hold Committee Meetings

SK1012000393 Pyongyang KCNA in English 1115
GMT 9 Dec 93

[Text] Tokyo, December 7 (KNS-KCNA)—Regional headquarters of the General Association of Korean Residents in Japan (Chongnyon) and the Federation of Korean traders and Industrialists in Japan, the League of Korean Youth in Japan, the Democratic Union of Korean Women in Japan and other organizations held their executive committee meetings to carry out the policy set forth at the third enlarged meeting of the 16th Chongnyon Central Committee.

Present at the meetings were Chairman Han Tok-su, first vice-chairman Yi Chin-kyu, chief vice-chairman Ho Chong-man and vice-chairmen of the Chongnyon Central Standing Committee.

The meetings discussed and decided on the goals of those organizations and ways to more dynamically conduct the massive activities of defending the rights and life of compatriots in conformity with the changed situation.

Daily Denounces Japan's Desire for UNSC Seat

SK1012051993 Pyongyang KCNA in English 0433
GMT 10 Dec 93

[Text] Pyongyang, December 10 (KCNA)—The Japanese authorities must clearly know that they can never win the trust of the world people unless they decisively break with the disgraceful past, says NODONG SINMUN in a commentary today.

The news analyst notes:

These days the Japanese authorities are displaying feverish activities to get a seat of permanent membership of the U.N. Security Council [UNSC]. This is an imprudent act of fools who do not know where they should stand.

Japan which has not repented of the past crimes, obsessed with a wild ambition to repeat the past aggression, dare covet a permanent membership seat of the Security Council. This reveals their political and moral inferiority as well as their aggressive nature.

If Japan is allowed to take a seat of permanent membership of the Security Council, even in a nook, it will bar the United Nations from properly fulfilling its function and undermine international justice and morality, resulting in impairing the authority of the United Nations and confidence in it.

Little penetration is needed to see why Japan is so eager to get the seat. They seek to emerge on the scene as a political power and turn the world round its finger by taking advantage of the destruction of the balance of forces in the international relations with the end of the Cold War.

But this attempt cannot be realized.

What Japan must do now is to sincerely liquidate the past and follow the road of peace.

Federation of Koreans in Russia Praises Leader

SK1012111893 Pyongyang KCNA in English 1001
GMT 10 Dec 93

[“Our Nation is most dignified as it is guided by Comrade Kim Chong-il”—KCNA headline]

[Text] Pyongyang, December 10 (KCNA)—Yi Tong-chol, chairman of the Federation of Koreans in Russia for Reunification, in an interview with a KCNA reporter in Pyongyang, said that the Korean nation guided by the illustrious leader is most dignified in the world.

Pointing out that the motherland is steadily creating world-startling miracles and innovations under the guidance of the dear leader Comrade Kim Chong-il, Yi Tong-chol said: Comrade Kim Chong-il has not only performed great ideological and theoretical feats but also shows matchlessly distinguished organisational ability in the leadership of the revolution and construction. The unique theory of the three revolutions, ideological, technical and cultural, clarified by the great leader President Kim Il-song has been further developed and enriched by the dear leader Comrade Kim Chong-il, displaying a great vitality in practice.

Comrade Kim Chong-il put forward the slogan "Let us live our own way!" and makes sure that this slogan is thoroughly applied in all domains of the revolution and construction. Our nation is demonstrating its dignity of a great nation as it is guided by him.

Papers Mark Anniversary of Bangladesh Relations

*SK1012001993 Pyongyang KCNA in English 1122
GMT 9 Dec 93*

[Text] Pyongyang, December 9 (KCNA)—Papers here today dedicate articles to the 20th anniversary of the establishment of diplomatic relations between Korea and Bangladesh.

NODONG SINMUN in a by-lined article says that the establishment of diplomatic relations between Korea and Bangladesh was an expression of the aspiration of the two peoples to develop the friendly and cooperative relations in the idea of independence, peace and friendship.

It continues:

The two peoples have developed the friendly and cooperative relations favourably, deepening mutual understanding in the past 20 years. This has contributed to the building of a new society in the two countries.

The Bangladeshi people are now striving to defend the sovereignty of the country and make socio-economic progress. The Bangladeshi Government is taking an active part in the activities of international organisations including the Islamic Conference Organization, while developing friendly relations with other countries.

It conforms with the interests and desire of the two peoples to strengthen and develop the friendship between Korea and Bangladesh; and it will be a contribution to the building of a new Asia.

MINJU CHOSON in a signed article expresses the belief that the relations between the two peoples will grow stronger and develop, and notes that the Korean people wish the Bangladeshi people greater success in their endeavours to consolidate national independence and for the prosperity and development of the country.

Further Reportage on SPA Session Proceedings

KCNA Reports Opening

*SK1012001993 Pyongyang KCNA in English 2304
GMT 9 Dec 93*

[Text] Pyongyang, December 9 (KCNA)—The Sixth Session of the Ninth Supreme People's Assembly [SPA] of the Democratic People's Republic of Korea opened at the Mansudae Assembly Hall in Pyongyang today.

Deputies to the Supreme People's Assembly participated in the session which was attended as observers by officials of party and government bodies, administrative and economic organs, public organisations, men of science, education, culture and art, public health and the press and officials of the General Association of Korean Residents in Japan staying in the socialist homeland.

The great leader President Kim Il-song took the platform.

Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army, also took the platform.

The platform was occupied by O Chin-u, member of the Presidium of the Political Bureau of the Central Committee of the Workers' Party of Korea [WPK] and minister of People's Armed Forces; Yi Chong-ok and Pak Song-chol, members of the Political Bureau of the WPK Central Committee and vice-presidents; Kang Song-san, member of the Political Bureau of the WPK Central Committee and premier of the Administration Council; Kim Yong-chu, member of the Political Bureau of the WPK Central Committee, and other party and state cadres.

The following agenda was adopted at the session:

1. On further improving the work of properly inheriting and developing the national cultural heritage.
2. On the adoption of the law on construction of the DPRK.
3. On the endorsement of laws adopted by the SPA Standing Committee of the DPRK during the recess of the SPA.
4. Organizational matter.

At the session Deputy Kim Ki-nam, secretary of the Central Committee of the Workers' Party of Korea, made a report on the first agenda item "on further improving the work of properly inheriting and developing the national cultural heritage."

The report was followed by speeches of deputies.

Speakers stressed that the discussion of the question of further improving the work of properly inheriting and developing the national cultural heritage at the current

session of the SPA marked a new turn in defending and exalting the immortal leadership exploits of President Kim Il-song, protecting and managing the national cultural heritage as the wealth of the country and steadily developing socialist culture on a national basis.

They said that the Workers' Party of Korea and the DPRK Government have pursued the correct policy of rehabilitating and preserving the national cultural heritage and inheriting and developing it with a chuche-based position.

"The national cultural heritage has been discovered and restored and is shining in our country, which proves the justness and vitality of the chuche-based policy of national cultural heritage put forward by President Kim Il-song," they emphasized.

They underscored the need to carry on the work of inheriting and developing the national cultural heritage as an all-people, a whole society movement.

The session continues.

Yang Hyong-sop Opening Speech

SK0912134993 Pyongyang Korean Central Television Network in Korean 1100 GMT 9 Dec 93

[Opening address by Yang Hyong-sop, chairman of the Supreme People's Assembly, at the Sixth Session of the Ninth SPA held at the Mansudae Assembly Hall in Pyongyang on 9 December—recorded; no video available]

[Text] Comrade deputies: Today we are holding the Sixth Session of the Ninth Supreme People's Assembly [SPA] while all the people of the entire country are accelerating the revolutionary march to add further luster to the chuche socialism under the leadership of the party.

Since the Fifth Session of the Ninth SPA, our people have actively accelerated the construction of socialism, crushing all sorts of challenging and obstructive maneuvers of the imperialists and reactionaries by more firmly solidifying the main force of the revolution under the party's revolutionary slogan "Let us complete the cause of socialism to the end with the wholehearted unity of the entire party membership, all the people, and the entire army." By so doing we have further strengthened the political, economic, and military might of the country.

With great pride and self-respect of victors, our people waged a vigorous general march movement to greet the 40th anniversary of the victory in the great fatherland liberation war with high political enthusiasm and brilliant labor success. By so doing, we brought forth new upsurge in all fronts of socialist construction and demonstrated at home and abroad the might of the wholehearted unity of the leader, the party, and the masses and the superiority of the popular mass-centered socialism of our own style. [applause]

Thanks to our party's policy on properly inheriting and developing the national cultural heritage and its wise leadership, the original founder [wonsijo] of our nation has been brought to light, thereby making it possible for the long 5,000-year national history to be specifically systematized and for the numerous valuable cultural assets to be excavated and restored, thus making a great advance in building socialist national culture. This is the proud victory of the chuche-oriented national culture-building policy of our party and the government of the Republic. [applause]

Under the banner of the great leader's 10-point program of great unity of the whole nation for reunification of the country, the tenors of national reunification have mounted more than ever before among all compatriots in the North, South, and overseas.

Thanks to the great leader Comrade Kim Il-song, to the high international dignity of the Workers Party of Korea [WPK], and to the implementation of the Republic Government's consistent policy based on the idea of independence, peace, and friendship, even under the complex circumstances in which the world's political relations are changing rapidly, the country's external status has been enhanced and the international solidarity toward our people's socialist cause and the sacred reunification cause has been strengthened.

Because of the WPK's wise leadership, our society has been stable politically and reunified ideologically and all of our people as the genuine masters of the state and society have enjoyed independent and creative life to their heart's content.

The proud achievements, which our people have effected in revolution and construction by smashing the vicious antisocialist and anti-Republic maneuvers of the imperialists and reactionaries, become the evidences not only of the validity of the policy of our party, which has maintained the firm chuche-oriented position and solid revolutionary principle, but also of the vitality of our country's ever-victorious and invincible socialist system. [applause]

Today, taking the great pride and confidence that our leader [suryong] and our party are best and that our country's socialist system is best, our people have brought about a great upsurge in the struggle to thoroughly implement the new strategic policy on socialist construction and the theses on the socialist rural issues, which the party has put forth.

The SPA session held this time will discuss the issues, which have important meanings in consolidating and developing our state and socialist system and in further glorifying the superiority of the socialism of our own style centered on the popular masses. Because 614 members of 661 deputies to the SPA have attended the Sixth Session of the Ninth SPA, the session has enough of a quorum [songnip] pursuant to the 93th Article of the DPRK Socialist Constitution.

Convinced that the SPA session this time will smoothly discuss and decide on the points of the agenda that are adopted at the session through all deputy comrades' positive participation, I declare the Sixth Session of the Ninth SPA open. [applause]

Kim Ki-nam Delivers Report

SK0912132493 Pyongyang KCNA in English 1055
GMT 9 Dec 93

[“On Further Improving the Work of Properly Inheriting and Developing National Cultural Heritage”—KCNA headline]

[Text] Pyongyang, December 9 (KCNA)—Deputy Kim Ki-nam, secretary of the Central Committee of the Workers' Party of Korea [WPK], delivered a report on the first item of the agenda “on further improving the work of properly inheriting and developing national cultural heritage” at the Sixth Session of the Ninth Supreme People's Assembly [SPA] of the Democratic People's Republic of Korea which opened here today.

Noting that the heritage of national culture is a symbol of the nation's spirit and wisdom and treasure for national development, the reporter said:

The great leader Comrade Kim Il-song, with deep insight into the weighty significance and ideological and spiritual effect of the inheritance and development of national cultural heritage in achieving the independent development and prosperity of the country and the nation, indicated principled stand and policy of valuing and successfully carrying forward the excellent heritage of our national culture in the first days of the building of the new society after the liberation in accordance with the far-sighted plan he had cultivated in the flames of the anti-Japanese revolution.

The great leader Comrade Kim Il-song has said:

“To preserve and develop our national cultural legacy in keeping with the present reality is a major policy maintained consistently by our party in building national culture.”

The national cultural legacy must be properly preserved and developed from the chuche-based stand in such a manner as to correctly distinguish progressive and popular things in it in relation to the history of the development of the nation in which it has been created. This is the basic idea and principle of the policy of taking over and developing the national cultural heritage advanced by Comrade Kim Il-song.

The policy of the WPK and the DPRK Government for properly carrying forward the national cultural heritage is a most just one based on the chuche-oriented view of the nation. It represents Comrade Kim Il-song's steadfast idea of national independence and noble patriotic idea. Guided by these ideas propounded by him, the WPK and the DPRK Government have been able to

properly inherit and develop the precious cultural heritage of our nation without deviation and cover a most straight path of national cultural construction under any complicated circumstances in which all kinds of reactionary theories and opportunist trends regarding the national cultural legacy were prevalent.

He is, indeed, the destiny and father of the nation who saved the excellent cultural heritage of the Korean nation with noble spirit of national independence and ardent patriotic idea and has glorified the long history of the nation.

Under his chuche-oriented policy of national cultural heritage, great achievements have been scored in successfully carrying forward the excellent cultural heritage of our nation and adding shine to the long history of the Korean nation.

The WPK and the DPRK Government, first of all, have given priority to fully unearthing, arranging and protecting the excellent cultural heritage of our nation. And they have made this work an all-state, all-people undertaking to add lustre to the long history of our nation and demonstrate its superiority worldwide.

They have directed great efforts to intensively unearthing the national heritage to discover those which still remain buried, restore and rearrange destroyed things and take good care of them.

With the principle of chuche strictly adhered to in unearthing and arranging the national cultural heritage, the questions of the origin of Koreans and the beginning of the Korean nation's history have been successfully solved.

As the tomb of Tangun was recently unearthed, his remains were scientifically proved to be 5,011 years old by latest-type chronicle measuring apparatuses and, at the same time, Sinji letters of Kojoson (ancient Korea) were discovered, it was made clear in a scientific way that ours is a homogeneous nation with a history spanning 5,000 years and brilliant culture, whose father is Tangun.

Since Tangun who had long been considered to be a mythological person was scientifically proved to have been a real person who was born in Pyongyang and founded Kojoson, our nation has become to be known as a resourceful nation that entered a civilized society at the earliest period in the East and has steadily maintained the blood as a homogeneous nation and Pyongyang blessed with beautiful rivers and mountains as the birthplace of humanity, the centre of the national culture and the cradle of the Korean nation.

The fact that our nation with Tangun as its father has lived with the same blood, the same language and the same cultural tradition for 5,000 years inspires our 70 million people, whether they be in the North, or South, or overseas, to vigorously turn out in the noble struggle to put an end to the tragedy of national division and

achieve the country's reunification, irrespectie of political view, religious belief and property. This is a great event for our nation and a brilliant victory of the policy of national cultural heritage laid down by the WPK and the DPRK Government.

Under the chuche-based policy of the national cultural heritage put forward by Comrade Kim Il-song and the WPK, the tomb of King Tongmyong who founded the Koguryo Dynasty, the Chongnung Temple and the tomb of Wanggon, the first king of the Koryo Dynasty, have been gcanly reconstructed in our age. The Pohyon Temple in Mt. Myohyang, the Pyohun Temple in Mt. Kumgang, the Kwangbop Temple in Mt. Taesong, the Songgyungwan Academy in Kaesong and other architectural legacies, the tomb of king Kogukwon, the three tombs in Kangso, the ancient tomb in Tokhung-ri and other tombs with excellent mural paintings, the Mt. Taesong fortress, the Mt. Chongbang fortress and many other fortresses have also been restored and reconstructed to their original state.

"True Records of the Yi Dynasty" of 1,763 volumes and nearly 900 books, which records the history of 500 years, or some 180,000 days, of the Yi Dynasty in a diarial style is a treasure of the nation the like of which cannot be seen anywhere else in the world. All its volumes were translated and reprinted. And "80,000 blocks of complete collection of Buddhist scriptures" published in the 13th century was all rearranged with bibliographical notes.

The full texts of "The History of the Three Dynasties," "The Chronicles of the Three Dynasties" and "The History of Koryo" were translated and reprinted. And prose collections and classical literary works authored by scientists of the "practical school" and other prominent scholars and men of letters, "Tonguibogam (the complete collection of Koryo medicine)" and many other books on Koryo medicine have been collected, rearranged and translated.

The WPK and the DPRK Government set it as an important line of socialist national cultural construction to inherit and develop national cultural legacy on the basis of chuche in compliance with the requirements of the time as well as to discover and protect national cultural heritage with good care and has thoroughly implemented it, thus bringing the excellent cultural traditions of our nation into full bloom in the life of our people.

With the WPK's policy of national cultural heritage fully implemented, the history of the ancient and medieval ages which had been twisted by the national chauvinistic and flunkeyist historians has been newly expounded and systematized by chuche-based methodology. Thus, the appearance of the primitive society of our country has been fully revealed and the history of the ancient times centred on Kojoson and the history of the middle age centred on Koguryo have been established. And the questions of the origin and development of capitalism

and of the bourgeois reform movement in our country and other basic questions of the modern history have been made clear scientifically.

"Complete History of Korea" of 34 volumes, a chuche-oriented series of history, was compiled, with the result that the history of Korea has been defined on the chuche basis and the histories of philosophy, economics, science of literature, linguistics and other fields have been scientifically systematized and published. The WPK set the principle that our literature and art must have a national form and socialist content on the basis of the things Korean by applying the chuche idea, and has consistently implemented the line of literature and art on inheriting and developing the literary and art legacies left over by the ancestors from the chuche point of view. As a result, our socialist national literature and art have come into full bloom as literature and art of chuche which are distinct with the soul of Korea, with the spirit of Korea displayed to a high degree and with rich national flavor, and a great heyday of the literature and art of our era has opened.

With the development of the architecture of chuche national in style and socialist in content, a large number of grand monumental edifices have sprung up.

A great achievement has been made in the work for inheriting and developing the hereditary beautiful manners and customs in compliance with the demand of the chuche era, with the result that our society now is prevalent with healthy and beautiful traits of moral life.

The pure and clean beautiful moral traits which have been nursed in a long historical period and handed down from generation to generation by our people have been inherited and developed into customs of moral life of the people in the chuche era and become a precious national basis of the singlehearted unity of the whole society thanks to the great leader Comrade Kim Il-song's noble idea of believing in the people as in heaven and to the popular policy of the WPK.

If the WPK's policy of correctly inheriting and developing the national cultural heritages is the lifeline giving continuity to the soul, the resourcefulness and talent of the nation, our socialism is the seat that protects and brings into bloom the excellent cultural heritages of the nation.

All the proud achievements in correctly inheriting and developing the excellent cultural heritage of our nation and exalting the time- honored national history could be made only under the outstanding and tested leadership of the great leader Comrade Kim Il-song.

The disinterment and corroboration of Tangun, the father of our nation, as a real person and the recovery of the five thousand year long national history in the era of the Workers' Party are unthinkable apart from the guidance and tireless efforts of the great leader to discover and preserve the national cultural heritage.

Our party expounded that the work of inheriting and developing the national cultural heritage is a political issue related to the dignity of the nation and the independent development of the country and has made sure that the independent stand has been defended and implemented steadfastly in this work.

The unscientific nature of the long-established "orthodoxy of Silla" doctrine in the historical domain has been expounded and the ancient and mediaeval historical system based on the legitimacy of our nation from Kogoson to Koguryo, Palhae, Koryo has been established and the European centralism was overcome in the study of the characteristics of the Korean feudal society and the origin and development of capitalist relations. These are also results of the guidance of our party which saw to it that correct viewpoint and stand were established in inheriting the national cultural legacy.

The reporter clarified the tasks to further improve and strengthen the work of properly inheriting and developing the national cultural heritage.

He said:

To further improve and strengthen the work of properly inheriting and developing the national cultural heritage at present is an important demand for correctly establishing and completing the five thousand year long national history and thereby displaying the dignity and spirit of the nation to the whole world and successfully building the socialist national culture to suit the aspirations and emotions of our people, and an important question in accelerating the national reunification by enhancing the national pride and honor of the 70 million fellow countrymen and further lifting their ardor for reunification.

To this end, it is important, above all, for the entire people to have a correct viewpoint and stand toward the national cultural heritage.

We should make the entire people clearly understand that the question of national legacies is not merely an academic or a businesslike matter of preserving and managing the legacies created by the ancestors but an important political issue related to the basic demand of the era of independence and the line of national independence and a national historic task related to the dignity of the nation and the independent development of the country. So, we should elevate public concern in and the working people's consciousness of being responsible for the work of properly inheriting and developing the national cultural legacies and make it an all-state, all-people work.

To properly inherit and develop the national cultural legacies, it is also important to actively discover, collect and adjust the national cultural heritage, make a more brisk study of them and restore them to the original state and preserve and manage them in a responsible manner.

What is important in correctly inheriting and developing the national cultural legacy is to inherit and develop the excellent traditional national customs of our people from the chuche point of view and further improve and strengthen education in the national cultural legacy.

To resolutely fight against the moves of the imperialists and reactionaries to obliterate the national culture and infiltrate the bourgeois ideology and culture is one of the important tasks in correctly inheriting and developing the national cultural legacy.

The foreign imperialists including the Japanese imperialist aggressors who had tried to obliterate our national culture with the aim of putting the yoke of colonial slave on our people in the past are now resorting to malicious moves to distort and obliterate our national culture in various forms and methods in a bid to besmirch the ever mounting authority of our Republic.

We must heighten vigilance against this and shatter all the enemy moves of to distort and destroy our national culture.

We must smash the anti-reunification, anti-national criminal moves of the splittists, protect and study the precious national cultural legacy handed down from the time of our remote ancestors by the concerted efforts of the whole nation so that they may be used for the prosperity of the nation and its cause of reunification.

At the same time, we must thoroughly prevent the infiltration of bourgeois ideology and culture by the imperialists and reactionaries and firmly defend the purity of our national legacies and beautiful traditional manners and customs.

Second Day of Session Commences

OW1012115293 Pyongyang KCNA in English 1051
GMT 10 Dec 93

[Text] Pyongyang, December 10 (KCNA)—The second-day sitting of the sixth session of the ninth Supreme People's Assembly [SPA] of the Democratic People's Republic of Korea was held Friday [10 December].

The discussion of the first agenda item "On Further Improving the Work of Properly Inheriting and Developing the National Cultural Heritage" continued.

The speakers elaborated on the successes registered in properly inheriting and developing the excellent cultural heritage of the Korean nation and exalting its long history.

They stressed the need to briskly unearth and collect national cultural heritage and study it, well preserve and take care of it and struggle resolutely against the moves of the imperialists and the reactionaries to destroy the national culture and the infiltration of bourgeois ideologies and culture.

The session adopted the decision of the SPA of the DPRK "On Further Improving the Work of Properly

Inheriting and Developing the National Cultural Heritage" with the unanimous approval of the deputies.

The session debated on the second item on the agenda "On the Adoption of the Law on Construction of the DPRK".

Deputy Kim Yun-hyok, vice-premier of the Administration Council, made a report on it and read a draft of the law on construction of the DPRK.

Then deputies spoke.

The reporter and speakers said the law on construction of the DPRK presented to the SPA for deliberation is a most flawless code of construction which consummates by law the Chuche-based policy of construction of the Workers' Party of Korea and proud achievements made in the construction domain.

"On the Adoption of the Law on Construction of the DPRK," an ordinance of the SPA of the DPRK, was adopted with the approval of all the deputies.

The session discussed the third item on the agenda "On the Endorsement of Laws Adopted by the SPA Standing Committee of the DPRK During the Recess of the SPA".

Deputy Yang Hyong-sop, chairman of the SPA, delivered a report in this regard.

The session adopted with the approval of all the deputies the ordinances of the SPA of the DPRK—"On the Endorsement of 'On the Adoption of the Law on the National Emblem of the DPRK,' a Decision of the SPA Standing Committee of the DPRK", "On the Endorsement of 'On the Adoption of the Law on the Lease of Land of the DPRK,' a Decision of the SPA Standing Committee of the DPRK", "On the Endorsement of 'On the Adoption of the Law on Foreign Invested Bank of the DPRK,' a Decision of the SPA Standing Committee of the DPRK," "On the Endorsement of 'On the Amendment and Supplement to the Law on the Composition of Local Power Bodies of the DPRK,' a Decision of the SPA Standing Committee of the DPRK," and "On the Endorsement of 'On the Amendment and Supplement to the Law on Customs of the DPRK,' a Decision of the SPA Standing Committee of the DPRK".

The session continues.

Radio Reports Afternoon Session

SK1012125493 Pyongyang Korean Central
Broadcasting Network in Korean 1035 GMT 10 Dec 93

[Report on the second-day afternoon sitting of the Sixth Session of the Ninth Supreme People's Assembly held at Mansudae Assembly Hall in Pyongyang on 10 December]

[Text] At the session, discussions were held on the third agenda item on the endorsement of laws adopted by the Supreme People's Assembly [SPA] Standing Committee

of the DPRK during the recess. Deputy Yang Hyong-sop, chairman of the SPA, made a report on the third agenda item.

In the session, the DPRK SPA statutes were adopted by the unanimous vote of the deputies. These DPRK SPA statutes were: On the endorsement of the decision of the DPRK SPA Standing Committee on the adoption of the law on the DPRK national emblem, on the endorsement of the decision of the DPRK SPA Standing Committee on the adoption of the DPRK land lease law, on the endorsement of the decision of the DPRK SPA Standing Committee on the adoption of the DPRK foreign invested bank law, on the endorsement of the decision of the DPRK SPA Standing Committee on the amendment and supplement to the law on the composition of the local power organs of the DPRK, and on the endorsement of the decision of the DPRK SPA Standing Committee on the amendment and supplement to the DPRK customs law.

Cultural Heritage Resolution Adopted

OW1012120093 Pyongyang KCNA in English 1043
GMT 10 Dec 93

[Text] Pyongyang, December 10 (KCNA)—A resolution of the Supreme People's Assembly "On Further Improving the Work of Properly Inheriting and Developing National Cultural Heritage" was adopted at the second-day meeting of the sixth session of the ninth Supreme People's Assembly of the Democratic People's Republic of Korea held today.

The resolution stresses the need to inherit and develop the national cultural heritage from the viewpoint of Chuche so as to continue to develop the socialist culture on a national basis, to conduct the excavation and collection of remains more actively in conformity with the demand of the developing reality and press ahead with the work of restoring the damaged remains and relics to their original state.

It says that the work of preserving and taking care of the national cultural heritage should be conducted as an all-state, all-people work and scientific researches be further developed in depth.

Deep-going, sustained efforts shall be made to inherit and develop the excellent traditions of our nation in keeping with the socialist way of life, and education in the national cultural legacy be further strengthened, it notes.

It lays particular emphasis on the need to intensify the struggle against the imperialists and reactionaries who are trying to distort and obliterate the national cultural heritage.

We shall heighten vigilance against the moves of the imperialists and reactionaries to stifle our national culture by infiltrating the corrupt bourgeois culture and way of life and promptly smash their slightest signs, the resolution says.

Deputy Reports on Construction Law

*SK1012050393 Pyongyang KCNA in English 0446
GMT 10 Dec 93*

[Text] Pyongyang, December 10 (KCNA)—The second-day sitting of the 6th session of the 9th Supreme People's Assembly [SPA] here today discussed the second item on the agenda "on the adoption of the law on construction of the Democratic People's Republic of Korea".

A report on it was delivered by Deputy Kim Yun-hyok, vice premier of the Administration Council.

The reporter said the enactment of the DPRK law on construction will mark another significant occasion in powerfully demonstrating the validity and vitality of the construction policies of the Workers' Party of Korea and the DPRK Government and in providing the people with better material and cultural living conditions, affluent and cultured.

He went on:

Basing himself on the immortal chuche idea, the great leader Comrade Kim Il-song propounded the unique idea of carrying on construction by our own efforts to suit the desire and demand of our people and the specific conditions of our country, thereby indicating the most correct way of firmly establishing chuche in construction.

All the chuche-based, unique construction policies of our party constitute the solid ideological and theoretical basis of the construction law and a guideline.

Comrade Kim Il-song has said:

"Construction is not an undertaking which comes to an end after a definite period of time. It will go on for a long time to come, too, and on a larger scale. When the country is reunified some day we will have to build much more than we do now, and this work will continue even in the communist society".

The law on construction has been drafted in compliance with the demand of the policies which the WPK and the DPRK Government have consistently maintained in the work of construction from general planning to designing, construction and inspection of buildings upon their completion and supplements and systematizes in an integral way the major contents of the construction regulations applied hitherto to meet the demand of the developing reality.

It defines on a scientific basis its basic mission and the fundamental principles to be maintained in construction in keeping with the essential characteristics of the Korean-style socialist system and the basic purpose of building socialism and communism.

The law on construction lays it down as the fundamental principles to be maintained consistently in construction

to establish chuche in the work of construction, concentrate efforts on construction and industrialize it and put it on a regular, normal basis.

It defines general planning of construction as the basic content of the work of construction and stipulates in an allround way the principles and order to be observed in working out a general blueprint of construction.

This law makes it possible to correctly set the orientation and scale of construction to cater to the people's material and cultural needs and meet the requirements of the economic development, to provide a hygienic and cultured living environment for the population by preventing excessive expansion of towns and pollution there and to do away with departmentalism in construction and undertake construction under a far-reaching, unified and comprehensive plan.

It also stipulates the need to give definite precedence to designing by properly establishing a system of mapping out construction designs and rationally mobilizing the designing force.

Defined in the law are tasks and ways of properly taking economic effectiveness into account in the stage of designing and correctly applying the principle of national in style and socialist in content in designing.

The law on construction deals with legal requirements arising in construction, inspection of buildings upon their completion and guidance in and control on construction, etc.

It was stressed at the session that the law on construction of the DPRK is the basic law of the construction domain fully reflecting the construction policies of the WPK and the DPRK government, the most popular legal means of successfully providing the Korean people with conditions for an independent and creative life on the highest level, and a revolutionary code indicating the way of harnessing and transforming nature as required by chuche.

Law on Construction Adopted

*SK1012142393 Pyongyang KCNA in English 1023
GMT 10 Dec 93*

[Text] Pyongyang, December 10 (KCNA)—The great leader Comrade Kim Il-song, president of the Democratic People's Republic of Korea, promulgated the ordinance of the Supreme People's Assembly [SPA] dated December 10 "On the Adoption of the Law on Construction of the Democratic People's Republic of Korea". The law was adopted at the second-day sitting of the 6th Session of the 9th Supreme People's Assembly today.

The law of 6 chapters and 53 articles reflects the requirements of the policies which the Workers' Party of Korea and the DPRK Government have maintained consistently in the work of construction.

"Chapter 1. Rudiments of the Law on Construction" (Articles 1-9) defines the basic mission of the law and of fundamental principles to be maintained in the work of construction.

The DPRK Law on Construction shall contribute to ensuring high rate of socialist enlarged reproduction and enhancing the people's material and cultural living standards by establishing discipline and order in the drafting and fulfilment of the general plan of construction, and designing and construction and inspection of buildings upon their completion.

In the DPRK big efforts shall be directed to the construction of town and countryside, the construction of harbours and irrigation setups according to the correct policy of construction to build a large number on monumental edifices of eternal value and modern factories and enterprises, dwelling houses and establishments and provide the people with good conditions for their independent and creative life.

The state shall build urban and rural residential houses at its expense, while ensuring the balance between productive and nonproductive construction.

The state shall establish a unified control on construction and undertake it under a far-reaching plan to suit the specific reality of the country and its natural and geographical conditions, the people's needs and sentiments and customs.

The state shall develop exchange and cooperation with many countries of the world and international organizations in the field of construction.

"Chapter 2. General Plan of Construction" (Articles 10-16) defines the basic contents of the work of construction.

Among the principles to be observed in working out a general plan of construction are those of locating factories and enterprises near the sources of raw material and fuel and the consumption areas of goods, adopting reasonable sizes of cities and rationally distributing satellite cities around the capital and other big cities. The chapter also includes the principles of protecting natural resources, not locating towns and villages in the areas of deposits of valuable minerals, and of creating a favorable natural environment for the living of the population and preventing pollution.

"Chapter 3. Construction Designing" (Articles 17-27) defines the terms of mapping out construction designs.

The state shall properly establish a system of mapping out construction designs and make a rational use of the designing force so as to give precedence to designing in construction.

The construction designing institutions shall apply the principle of national in style and socialist in content in designing and standardize designing so as to ensure both the speed of designing and the quality of designs.

Here, the formalities of approval of designs for construction projects abroad, designs for export and import shall be set separately.

The subsequent chapters of the law are "Chapter 4. Construction" (Articles 28-36), "Chapter 5. Inspection of Buildings Upon Their Completion" (Articles 37-43) and "Chapter 6. Guidance and Control of Construction" (Articles 44-53).

Radio Reports Adoption of Law

SK1012124393 Pyongyang Korean Central Broadcasting Network in Korean 1032 GMT 10 Dec 93

[Report on the second-day afternoon sitting of the Sixth Session of Ninth Supreme People's Assembly held at Mansudae Assembly Hall in Pyongyang on 10 December]

[Text] The DPRK Supreme People's Assembly [SPA] adopted at the session a statute on the adoption of a Law on Construction of the DPRK with the unanimous approval of the deputies.

The DPRK SPA's statute on the adoption of a law on construction in the DPRK, which Yi Mong-ho, secretary of the SPA Standing Committee, read in the session, is as follows:

[Begin Yi Mong-ho recording] The DPRK SPA's statute on the adoption of a Law on Construction of the DPRK:

Construction is the ever-lasting work for the remaking of nature, for change, and national prosperity and development. Only when construction is promoted in a planned way, with farsightedness, and when speed and quality are ensured in construction, can the self-reliant foundation for the national economy be firm and then people's material and cultural standard of living can be constantly improved.

Since the first period of the construction of a new society after liberation, the Workers Party of Korea and the Republic's Government have put forth the policy on a more rapid and better construction with insufficient equipment and have wisely led the struggle to realize the policy.

Thanks to the right policy and correct leadership of the party and the Republic's Government, a large number of ever-lasting monumental edifices and magnificent and grand cities and villages have been constructed. As a result, our country has been turned into the people's paradise and a good place to live in.

To legally consolidate the achievements effected in construction and further develop the work of this field, the DPRK SPA has made the following decisions:

1. A Law on Construction of the DPRK should be adopted.

2. The DPRK State Administration Council should take a working-level measure to execute this law. [end recording]

Kye Ung-tae Addresses 'Frontrakers' Meeting

SK0912100693 Pyongyang Korean Central Broadcasting Network in Korean 0626 GMT 1 Dec 93

[Speech by Kye Ung-tae, member of the Political Bureau and secretary of the Workers' Party of Korea Central Committee, at the national meeting of frontrakers in laudable communist traits held on 1 December at the 8 February Hall of Culture in Pyongyang—recorded]

[Text] Comrades: At a time when all the people across the country are vigorously struggling to resolutely safeguard and defend socialism of our own style from all provocations of the imperialists and reactionaries and to further glorify it, we are holding the national meeting of frontrakers in laudable communist traits amid great interests at home and abroad. This year we greet the 35th anniversary of the publication of the great leader Comrade Kim Il-song's immortal classical work, "On Communist Indoctrination."

Right after the victory in the socialist revolution and the establishment of the socialist system in our country the great leader Comrade Kim Il-song published his historic work, "On Communist Indoctrination" and perfectly elucidated all problems ranging from the goal and content of the communist human remoulding to the basic principles and methods that should be adhered to in the course of the remoulding.

The great leader Comrade Kim Il-song's classical work is a programmatic document that clearly elucidates for the first time in history the most correct way to occupy the ideological fortress, the lifeline of socialist construction. It is also a revolutionary banner and a completely encyclopedic textbook that makes it possible to defend and consummate the socialist cause to the end by strengthening the main force of the revolution. [applause]

Over the past 35 years since the publication of the great leader Comrade Kim Il-song's classical work, which has profoundly elucidated all theoretical and practical problems arising in more vigorously waging the human remoulding work following the establishment of the socialist system of our revolution, a fundamental change has been effected in the ideological and mental features of all party members and the working people and their moral ethos.

It is very significant that we are holding the national meeting of frontrakers in laudable communist traits at a time when the ideological and theoretical principles elucidated in the work, "On Communist Indoctrination," have been brilliantly embodied and, as a result, the ideological and mental world of party members and the working people has completely changed; and when a large unit of chuche type communist human beings has

grown up and, as a result, laudable communist traits and beautiful deeds brilliantly effloresces.

The Workers' Party of Korea [WPK] Central Committee sent a congratulatory message to this meeting to warmly congratulate all participants of the meeting and to highly appraise the lofty features of frontrakers in laudable communist traits. At the same time, it set forth the task of further exalting, expanding, and developing the laudable communist traits efflorescing among our people throughout the whole society by generalizing the outstanding examples of the frontrakers.

The national meeting of frontrakers in laudable communist traits, the first of its kind in the history of our Republic, will discuss tasks to consolidate the proud achievements registered in the training of communist human beings of chuche type under the wise leadership of the WPK and to further deepen and develop this work in conformity with the demands of the developing reality, so that it may be an important occasion in further consolidating the ideological, mental, and moral foundations of our society and promoting the cause of socialist construction as a whole.

This meeting demonstrates the incomparable greatness of the popular masses-centered society of our country and its invincible might, a meeting of single-hearted unity that further inspires our people struggling for consummating the chuche socialist cause and for expediting the independent reunification of the country, and a meeting that will be brilliantly recorded in the proud chronicle of our fatherland. [applause]

It is a great pride of our party and people that the laudable communist traits of devotedly struggling for the country's grandeur and development and for the people's happiness, while devoting all to the party, the leader [suryong], and the society, collectives in our country that are building the popular masses-centered socialism under the banner of the chuche idea, have become a trend of the times in the society and are being displayed on a higher plane with each passing day. This is a splendid reality that can be witnessed only under the most superior socialism of our country in which all members of the society form one large revolutionary family, united in one mind and work and live in a communistic manner, helping and leading each other forward to attain the common goal and ideal under the leadership of the great leader [suryong] and the great party. [applause]

Acute political and ideological war is being waged between socialism and capitalism in the international arena today, and a serious struggle is being fought in the area of man's ethical and moral life as well in the torrents of this war. In many countries where socialism has collapsed and capitalism was restored, all sorts of inhuman capitalist ethics and morality, that history condemned and rejected, are reappearing and the immorality and corruption that defile man's conscience and morality, are being revived. The resuscitation and

revival of capitalist ethics and morality rejected by our traditional virtues and characterized by the law of the jungle's struggle for existence in today's civilization when mankind is on the threshold of the 21st century is a shame for modern history.

However, in the real world, we not only see tragic developments where vice is disguised as justice and virtue and where bourgeois immorality and corruption are being reborn and revived but also see marvelous and romantic phenomenon as in our country, where socialism of the popular masses is making great victorious strides and where, in its course, the beautiful communist traits and true conducts originating from true love for mankind representing the future of mankind are in full bloom. [applause]

Our people's beautiful communist traits which are exalted based on the high awareness of and endless loyalty to the noble love for the party, the revolution, the fatherland, and the people is the manifestation of social man's most beautiful and noble spiritual and moral traits which brilliantly embody the chuche values and the revolutionary outlook on life reflecting man's true love, which is fundamentally different from capitalist ethics and morality which depend entirely upon money.

To devote oneself to the noble cause for the party, the revolution, society, and group is the most precious and rewarding life and highest honor for an independent man. The essence of socialism lies in collectivism, and the true way for the people engaged in socialist construction to add luster to their lives lies in devoting themselves faithfully to the party and the revolution, attaching greatest importance to the society and group's interests.

Beautiful communist virtues which are highly exalted among our party members and working people, reflect the high ideological and spiritual world of our people who have learned and brilliantly embodied this philosophy of life in the bosom of the party as the revolutionary outlook on life. The first shoot of beautiful communist virtues which took root deep in our people's life sprouted in the blaze of the stern anti-Japanese revolutionary struggle under the leadership of the great leader Comrade Kim Il-song. These virtues have continuously been expanded and developed in the course of putting forth and implementing the original man-making policy by our party since the liberation, inheriting the brilliant tradition of these virtues, through positive examples in various stages of the revolution and construction.

The great leader Comrade Kim Il-song, with the noble will of believing in the people as in heaven since the first day of the anti-Japanese revolution, regarded the popular masses as the most valuable beings and led the revolution to victory by arousing the people's ideology. Pioneering the original road of the cause of the independence of the popular masses, the cause of socialism, he set the issue of bringing up a new-type of communist

man through positive examples as one of the most important strategic tasks of the chuche revolutionary cause, and has wisely led our party and people in the struggle to realize it. [applause]

The great leader Comrade Kim Il-song published the historic work "On Communist Indoctrination," right after the establishment of the socialist system in our country to elucidate the general principles of communist indoctrination for the working people. In the Fourth Workers' Party of Korea Congress, he set the work of overcoming capitalism even in areas of people's ideological consciousness and indoctrinating and bringing up the working people as the party's key task, and set positive educational influence as an important method for its realization.

The method of indoctrination to influence people by positive example elucidated for the first time by the great leader [suryong] is not an ideological indoctrination method merely to incite people's feelings, but is a most scientific, active, ideal, effective, and mighty human remoulding method that has extensively embodied the chuche-oriented political philosophy based on maximum respect for and love of human beings, the essential characteristics of socialist society, the Korean people's outstanding national morality, and the revolutionary mass line. [applause]

In socialist society, which is based on collectivism, people aspire for goodness and virtue, all positive phenomena are (?prevalent) among the broad popular masses, and struggle is carried out to follow their positive deeds. Consequently, positive examples are rapidly spread in the whole society.

Finding and generalizing in a timely manner positive examples enhanced and displayed among the popular masses and, thus, leading them to become a trend in the whole society are not only the duty of the working class building socialism, but are also one of the basic problems that determine success in fostering communistic human beings.

In the course of the rewarding struggle to uphold and implement the policy of remoulding human beings through the positive example elucidated uniquely by the great leader Comrade Kim Il-song by embodying the chuche idea the Chollima movement, a powerful (?driving force) of socialist construction, took place in our country. Through this movement numerous standard bearers of Chollima—new type heroes of the era of the Workers' Party—were produced, and the beautiful deeds of sharing blood and flesh for the whole society, collectives, and revolutionary comrades and even sacrificing lives for them effloresced in succession.

The laudable communist virtues and beautiful deeds displayed by our people today are a due fruition achieved amid the great cause for fostering new type human beings, chuche type communist human beings. [applause]

The great leader Comrade Kim Il-song has taught that all members of the society share joy and sorrow, forming a large family and helping and leading each other on the basis of the collectivist principle, one for all and all for one is an important characteristic of our society and its essential superiority. The laudable communist virtues and deeds displayed by our people today have become noble and beautiful virtues, which have reached a high plane because they are based on the ideological and mental foundation of the chuche idea—the great philosophical ideology centered on human beings.

People's mental and moral features are an expression of their ideological consciousness, and only when they are based on the ideology that has correctly personified the truth of the revolution and human justice can noble and beautiful revolutionary morals and human ethics be produced.

The chuche idea is a revolutionary ideology that has raised human being's dignity and value to the highest plane. It is also a great ideology that has scientifically elucidated the popular masses' road of shaping their destiny. [applause]

Our people take the great chuche idea, the truthfulness and vitality of which have been fully proven during the course of the chronicle of the arduous and formidable Korean revolution, as the nutritious element and possess a thorough chuche-oriented view of life and an aesthetic view. Because of this, devotedly conserving and looking after men while regarding them as a most valuable existence has become our people's common practice in life, and seeking goodness and beautiful deeds in human relations and comrade relations has also become their common ideological feeling.

The laudable communist virtues and deeds displayed by our people encourage people to perform exploits and innovation on the high plane of human remoulding and play strong revolutionary roles in all domains, including nature conservation and social reform, with great influence because our people take the chuche idea centered on men as their revolutionary view on life based on the great spirit of respecting the people.

As the beautiful communist traits and conduct displayed by our people are based on the socialism of our country where socialist collectivism is most thoroughly embodied, they are the beautiful ideological ethos of a higher stage that encompasses the broad masses with inexhaustible vitality.

The nature and superiority of a social system are defined by how it provides a just and harmonious society to the popular masses. Our socialism is the most superior socialism in which the popular masses—the main force of history—are united around the leader as a sociopolitical living organism and in which the principle of comradely love and revolutionary fidelity prevails in which life, death, and destiny is shared in relations between

individuals and between the group and the individuals based on this unity by helping each other and leading devoted lives.

In our society in which socialist collectivism is thoroughly embodied, the slogan one for all, and all for one is the absolute principle for all activities of people and their way of life, and the entire society is literally one harmonious great family. Because the entire society is firmly united in comradely love and revolutionary fidelity around the leader, noble conduct of the people devoting their lives to the party, the leader, the country, the people, society, and group rather than for their own personal well-being and success are practiced by the broad masses of all strata made up of not only some limited segment of people, but workers, peasants, intellectuals, soldiers, party functionaries, and people—from the new generation juveniles to the elderly. This noble conduct is a common virtue practiced everywhere in the country.

The beautiful communist traits and conduct highly displayed by our party members and working people are the most noble and revolutionary virtues without parallel in the world and history in its loftiness, profundity, and breadth because they are deeply based on the socialism of our own style which embodies the great man-oriented revolutionary ideology—the chuche idea—and collectivism. Herein lies the fundamental characteristic of the beautiful communist traits blooming among our people. [applause]

Standing at the head of beautiful communist traits and conduct, which are rapidly becoming a prevalent phenomenon vigorously touching the hearts of many people in our country today, are the numerous frontrankers in beautiful communist traits who have been brought up to be the standard-bearers of the spirit of the times and the vanguard fighters. The frontrankers in beautiful communist traits, who are extensively praised and respected by our people, cherish their loyalty to the leader [suryong] of the revolution and the leader [yongdoja] of the revolution as the foremost revolutionary morality and conscience. They are the true loyalists who share life, death, and destiny with the leader and uphold the party's cause with loyalty. [applause]

Loyalty to the leader is the life of the foremost degree for the communist revolutionary. It is the trait that underlies all the beautiful virtues displayed by our frontrankers in beautiful communist traits. Our people, who had to experience the history of hardship fraught with vicissitudes for a long time because they had no outstanding leader, are aware, from their most precious experience, that their upholding the great leader and remaining loyal to the leader ensures the victory of the revolution, the independence and prosperity of the country, the happiness of the people, and their own bright future.

The frontrankers in beautiful communist traits acquired this revolutionary truth deep in their hearts and cherish

the loyalty to the party and the leader as their revolutionary faith, morality, fidelity, and conscience. They make it their way of life. Upholding the leader wholeheartedly and thinking and acting according to the leader's idea and intent are the most conscientious and moral act that adds luster to the life of the revolutionary—this is the outlook on life and morality of the frontrankers in beautiful communist traits.

This is why they have been able to display outstanding models and devoted virtues not only in the work of safeguarding and defending the leader's [suryong] prestige, but also in the revolutionary struggle of embodying the leader's ideology and intent and construction work. The frontrankers in laudable communist traits who regard loyalty to the party and the leader [suryong] as their first life have sincerely defended their outposts for 20, 30, and 40 years in pits, farm fields, and remote mountainous areas, on the ocean, and in numerous nameless work sites unknown to others, regardless of whether it rains or snows and irrespective of the prestige of their occupations. The devoted [words indistinct] of numerous frontrankers in laudable communist traits, including Chong Chun-kil, director of the Commercial Management Station of Chonchun County, clearly shows the high plane of the ideological and mental world of our party members and the working people who regard loyalty to the party and the leader [suryong] as the loftiest revolutionary virtue and conscience, and numerous genuine loyalists and unheralded meritorious persons who follow their model are being produced at every corner across the country.

The frontrankers in laudable communist traits who are changing the ideology and intent of the party and the leader [suryong] into a beautiful reality while regarding them as the requirement of their life, are advancing in succession to the historic sites, the sites of glory, where the immortal leadership of the great leader and the dear comrade leader dwell, and the proud construction sites where our party's great construction plans are being implemented. They are also performing leading roles in the work of building monumental edifices of the era of the Workers' Party.

At a time when people are stopping at nothing to obtain (?leave and rest) in many countries of the world, employees in light industry plants in Pyongyang city, the working class in the city, and [word indistinct] and functionaries, including comrade (Han Im-ha) who worked at the Korean Central Broadcasting Committee as a reporter, have left Pyongyang city, the capital of the revolution, for the historic sites, the sites of glory, and work sites where the leadership of the great leader and the dear comrade leader dwell, and 19 (?workers) at the (Songchongang) [word indistinct] plant in Hamhung city [passage indistinct] advanced to coal mines, mines, forestry villages, and rural villages, including (Taehung), Musan, and Anju, and are now bringing our party's socialist construction plan into full bloom.

Among the ranks of frontrankers in communist virtues, there are countless laudable people who actively supported major construction sites, plants, and farms with materials and their endeavors by joining in faithful nocturnal shock brigades, faithful volunteer brigades, merited coal mining platoons, and war veterans [word indistinct]. True revolutionary fighters of our times, who uphold the party's intention without fail, are the members of a merited coal mining platoon of Yongmun Coal Mine of Kujang District Coal Mining Complex, who actively participated in the struggle to increase coal production by volunteering to be miners to repay great love and benevolence of the great leader [suryong] and the dear comrade leader [chidoja]; war veteran volunteers of the state-run fruit farm who achieved bumper crops every year by planting seeds in empty lands; functionaries and employees of a public service facility in Pyongyang who looked after retired soldiers, who voluntarily joined coal mines out of a desire to increase coal production; and countless working people across the country who prepared and sent necessary goods to the working class, who have carried out [word distinct] struggle by devoting their all for a long time. [applause]

Due to the blood ties between the leader [suryong] and fighters, and the leader [yongdoja] and the people, the communist virtues displayed among our people are further exalted in the process of all the people following the party and the leader [suryong] by entrusting their destiny and future and upholding their leader [suryong] as a head of one harmonious family like sons and daughters.

The fact that thousands of different segments of working people in our society have sent letters to the dear leader Comrade Kim Chong-il and wrote him whole stories about their joys and sorrows, taking a pledge of loyalty to share their destiny with the party forever, is an impressive canvas that tells that relations between the leader [suryong] and the people in our country have been forged into the blood ties of looking after and entrusting destiny between the political protector and fighters and between father and son. [applause]

Among these letters of loyalty and filial piety that reflect our society's great ethos of single-hearted unity are the letters from old anti-Japanese fighters who vow to uphold the dear leader Comrade Kim Chong-il, cherishing in their hearts the deep gratitude they had when they sang the birth of the bright star of Paektu. Among the letters are also letters from the working class of Kangson, the native place of Chilima, from the agricultural workers in Chongsan-ri, from officers and men of the People's Army, from intellectuals, and from school children.

These letters, which beat as one faith although their addressees are different, are not only a fragment of the absolute trust and thorough will of our people and officers and men of the People's Army to not live even for a moment apart from the bosom of our supreme commander Comrade Kim Chong-il and to live eternally

only on the single road designated by him, but are also the letters from the heart that show the level of their thorough revolutionary view on the leader [suryong] and genuine view on life.

The loyalty of our people who uphold and follow the great leader [widaehan yongdoja] as their blood father is absolute, firm, and invariable under all circumstances. It is the mettle and features of our people to rise up with redoubled vigor in the spirit of springing to support heaven and uphold the party and the leader [suryong] with their lives, no matter how difficult the situation and what manifold ordeals may befall them. [applause]

When a precarious situation in which war may break out was created in our country, some 1.5 million young students and [word indistinct] petitioned to join or return to the Korean People's Army, taking a pledge of loyalty to resolutely safeguard and defend the party center [tangjungang]. At the eighth congress of the Socialist Working Youth League 5 million young students took a resolute pledge to become 5 million bullets, singing the song of faith and will that no fatherland will exist without you, thus, touching the hearts of the people throughout the country. This proves our people's firm and invariable loyalty.

Because the single heart of loyalty of our people and Army to resolutely defend the leader [suryong] of the revolution and the leader [yongdoja] of the revolution, upholding and following them as their blood father, is so warm and sincere, the deeds of making possible efforts to guarantee the longevity of the fatherly leader and the dear comrade leader increase with each passing day. Republic hero Comrade Han Yong-chol protected an exploding hand grenade with his body to defend portraits of the great leader and the dear comrade leader. Numerous comrades, including boiler workers at the Nampo locomotive unit and a fishing boat captain at the (Pochon) fishery cooperative in Myongchon County, defended portraits of the leader and the dear comrade leader with their lives. Thus, they displayed a heroic communist deed.

Indeed, the frontrankers in laudable communist traits are true loyalists and dutiful children of our times who are infinitely loyal to the party and the leader [suryong]. Because they are such genuine revolutionary fighters of the party, our party is great, our single-hearted unity is mighty, and our revolution is triumphantly making a long drive. [applause]

The frontrankers in laudable communist traits are staunch fighters and genuine patriots who are firmly safeguarding and eternally glorifying the socialist fatherland of chuche with firm faith in socialism.

Our fatherland of chuche—where the popular masses-centered socialism of our own style, established by the great leader [suryong] that is being glorified by the dear comrade leader, effloresces—is the cradle of all of our people and the base of their happiness. The fatherland is precisely the bosom of the great leader and the dear

comrade leader, and without the fatherland genuine life and happiness cannot be expected. This is our people's firm faith and will. [applause]

Our people's loyalty to the party and the leader [suryong] is linked as one with their warm love for and infinite devotion to the socialist fatherland, and the frontrankers in laudable communist traits have outstandingly demonstrated such noble ideological and mental features of our people through their practical struggle and life. The firm faith and determination of the seven brothers of (So Ki-sok) at the 5th iron hauling unit of the iron hauling brigade in Musan mine complex who vowed to uphold the party and to defend socialism with iron to the end well show the [word indistinct] traits and ideological and mental characteristics of our communist (?frontrankers) and people to glorify socialism under the leadership of the dear comrade leader, devoting their all.

Such firm faith and resolute struggle spirit are burning in the hearts of our party members and the working people. Thanks to this, new labor exploits are being created in succession amid the flames of struggle for creating a new speed in our socialist march, and the patriotic deeds of firmly defending and glorifying our socialist fatherland of chuche with an amazing innovative success in all socialist construction sites has taken place.

Laudable communist deeds are neither acts to demonstrate [words indistinct] nor acts to show others. They are acts which display goodness and good virtue, unnoticed by others. This is why they are so beautiful. The frontrankers in laudable communist traits are taking the lead in the struggle to conduct good things for the fatherland and the people in accordance with their conscience.

Employees at Pyongyang Koryo Hotel, Potonggang Hotel in Pyongyang, Pyongyang Locomotive Unit, and the General Bureau of Changgwang Transportation demonstrated on many occasions the beautiful and good deeds of returning money and things their guests had left after finding them with the high awareness of being [words indistinct]. In the service sector and the urban management sector throughout the country numerous unheralded frontrankers in laudable communist traits have appeared in succession to further change the appearance of our socialism of our own style. Among the ironrankers in laudable communist traits are many patriots who, even during their oversea trips, displayed patriotic, good deeds, thinking of grandeur and prosperity of the socialist fatherland only, not thinking of individual's comfort and interests, thereby giving joy to the party and greatly contributing to socialist construction.

The frontrankers in laudable communist traits who are upholding the party with practical success in socialist construction while burning with the single desire of loyalty to implement the plan and intent of the party and the leader [suryong] are staunch fighters and true patriots of our times who are firmly safeguarding and

glorifying the socialist fatherland of chuche, and because we have these numerous outstanding standard-bearers of the party, socialism of our own style and the socialist fatherland of chuche will be infinitely prosperous. [applause]

The frontrakers in laudable communist traits are the paragons of communistic human beings of our times who lead genuine comradely love of our society which has formed a big revolutionary family to be pervaded. They are also those who have embodied a genuine collectivist view on life.

In our society where the leader [suryong], the party, and the masses are united as on organism and share the same destiny, all of its members are the same family living in the bosom of the party. They are glorifying noble human relations, that is, relations between revolutionary comrades, placing the interests of society, collectives, and comrades above their own interests and unsparingly devoting their all for them.

Today, the frontrakers in laudable communist traits and our people, although their places of birth and assigned revolutionary duties are different and their character and taste are also different, are maintaining genuine comradely relations among people, upholding and following the party's lofty intent that those who do not love human beings cannot carry out the revolution, treasuring and looking after each other like blood brothers. Thus, they are making the whole country a garden of human love.

Hero Kim Kwang-chol, who saved his revolutionary comrades by shielding a hand grenade with his body just prior to its explosion at a frontline outpost defending the socialist fatherland; a young female member of the (Uok) cooperative farm in Paekchon County who sacrificed her young life after rescuing a drowning child; and a truck driver, girl, at (Sinhung) mine who [passage indistinct] are genuine human paragons of our times who rescued comrades' lives and defended the country's precious property.

Also among the impressive communistic good deeds of rescuing a child from the brink of death by displaying a noble sacrificing spirit is the beautiful deed of the management committee chairman of [words indistinct] of North Pyongan Province. His good deed of rescuing first his revolutionary comrade's daughter who was being drawn into rough deep seas, while leaving his own daughter who was also being drawn into the same deep sea, would be inconceivable in a capitalist society in which the jungle law is rampant, and this is a lofty canvas of human love that can be witnessed only under our socialist system. [applause]

All members of the society are firmly united as one organization and [words indistinct] are rallied around the party and the leader [suryong], sharing the same destiny. Because of this, numerous beautiful deeds of providing a fresh light to the blind, helping blood and

flesh comrades facing the brink of death, and providing for those whose property was burned out [passage indistinct] have been exalted.

The laudable virtues of looking after parentless children and sonless old men like real blood brethren can be seen in our society. In our country where all the people help and share the sweet and the bitter with each other as true revolutionary comrades and as real brethren, holding the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il in high esteem as their fatherly leaders, there are children who lost their parents or old men and women without children, but not a single orphan or old man and woman roaming about and begging for food can be seen there. [applause]

The beautiful human relations in our society that have been firmly united on the basis of revolutionary comradely love have been more firmly deepened thanks to the warm comradely love of the frontrakers in laudable communist traits and the people toward disabled veterans.

The disabled veterans who sacrificed their youth for the fatherland should become happy persons by enjoying respect from people in our country and nothing should be spared for their interests. This is precisely the noble ideological feelings of the frontrakers in communist traits and our people today. This is why in our society it is regarded as the highest pride to become wives or husbands of disabled soldiers who dedicated their youth to the country and why it is a common phenomenon, a beautiful social virtue to help and take warm care of disabled soldiers.

The warm communistic comradely love between Comrade Kim Si-kon, disabled soldier and poet who was wounded in the fierce fatherland liberation war and Comrade (Kwon Sun-hui), who has shared all kinds of joys and sorrows with Comrade Kim Si-kon, her husband, becoming his hands and feet, is indeed a beautiful phenomenon and move people's hearts.

Following such beautiful communist traits, Comrade [name indistinct], an old party member at the Huichon Locomotive Unit, has his four daughters married to disabled soldiers, and many frontrakers in laudable communist traits and the people have their daughters and sisters married to disabled soldiers, bringing true comradely love into full bloom.

Numerous girls from across the country are leading happy lives after forming new families with disabled soldiers amid blessings from tens of thousands of people, and youths and women of Hamhung and Taedong County married to disabled soldiers are leading a happy new life. A girl student from (Sungha) University volunteered to become a daughter of a disabled childless veteran couple and to look after them as blood parents. Thus, such beautiful deeds are being brought into full bloom and have made our harmonious and united society filled with a more beautiful fragrance.

Indeed, the frontrakers in laudable communist traits, who have grown in the bosom of the party and the leader [suryong], are the party's true revolutionary fighters who are bringing into full bloom the large garden of human love in our society in which the leader [suryong], the party, and the masses have become a single-hearted, united body. They are also genuine patriots who are further strengthening chuche-oriented socialism through the victory of our new ethics and our-style morality. [applause]

It is a lofty fruition of the wise leadership of the party and the leader [suryong] that beautiful deeds stirring the times are being displayed more highly with each passing day, and the frontrakers in laudable communist traits are increasing today in our country. [applause]

The lofty mental and moral traits of the revolutionary people do not come naturally. They can be formed and highly displayed only by the leader's [suryong] leadership, which leads the revolution to victory by making the popular masses conscious and organized with outstanding ideology and lofty benevolence.

Thanks to the outstanding and tested leadership of the great leader [suryong] and great leader [yongdoja], and their endless lofty faith and love toward the people, numerous laudable communist traits and beautiful deeds are sprouting and blooming fully among our party members and working people, and our country has become a dignified country where legendary stories concerning human virtue are being created in succession.

Under the wise leadership of the great leader Comrade Kim Il-song, the tradition of lofty and laudable communist traits formed during the arduous anti-Japanese struggle and ceaselessly continued in the new social construction after liberation, has been further developed in the new golden age of the WPK era along with our party's feats. [applause]

Based on its deep insight into the demands of the new high stage of the developing revolution in which the work of modeling the whole society after the chuche idea has come to the fore, our party—which has elucidated the chuche-oriented sense of value that one's personality and value are described by one's ideology and the chuche-oriented ideological theory that ideology decides everything—has not only given complete and comprehensive explanations to all problems arising in enhancing the mental and moral features of genuine communist revolutionaries who take loyalty to the party and the leader [suryong] as their lives, but has also energetically led the struggle for their implementation.

The dear leader Comrade Kim Chong-il has always attached special significance to conducting sincere ideological indoctrination work in an effort to foster people in becoming chuche-type communist revolutionaries with sound and healthy ideological will and laudable morality and ethics and has firmly grasped the indoctrination to influence people by positive example, which accords with the essence of socialist society as a method

of (?educating) the masses. He has even expounded a profound principle of ideological reform regarding not pushing people but leading them to follow spontaneously. Thus, he has opened a brilliant road ahead for fostering communist human beings. [applause]

In particular, based on his deep insight into the fact that there are varying opinions on the value of human life, the dear leader Comrade Kim Chong-il has further deepened and developed the chuche-oriented ideology and theory on a view on life and a view on morality in his classical works, including the work, "On Firmly Establishing a Chuche-Oriented View on the Revolution," and perfectly expounded them on a new and higher stage.

The dear leader Comrade Kim Chong-il expounded that unlike the individualist, capitalist view on life which regards individual indolence and pleasure as the highest goals, a chuche-oriented, collectivist view on life is the most valuable and beautiful view of life where one's destiny is linked with the collective's destiny and one finds the true worth of one's life from the struggle for society and collectives and elucidated upon making the ideology of loyalty to the leader [suryong], the party, and the masses the view on life and morality. This has become a mighty ideological and theoretical weapon which makes it possible to pioneer a new plane on view on life and view on morality and to foster people into true communist revolutionaries with a firm chuche-oriented view on life and morality.

The dear leader Comrade Kim Chong-il, an outstanding statesman who has been fostering all members of our society into thorough communist revolutionaries of chuche type through his absolute confidence and boundless love toward the people, has firmly united all the people, including workers, peasants, and intellectuals in a big revolutionary family with his popular politics, that is, politics of unity, and ushered in a great heyday of singlehearted unity unprecedented in the history of our country. Then, on this basis, he has seen to it that noble communist traits and laudable deeds are brought into full bloom throughout the whole society. [applause]

The dear leader Comrade Kim Chong-il, who has the firm faith that true politics for the people should be the politics which respect the people and give all benefits to them, has always regarded the people as revolutionary comrades, eternal companions, and teachers, and bestowed all honor and happiness upon the people. The dear comrade leader's politics are the noblest virtues for the people and are closely linked to the popular masses. His politics are the politics of love and trust in devotedly serving the people. [applause]

Thanks to the dear comrade leader's people-oriented politics, all of our people have traversed the single road of loyalty and filial piety under the leadership of the party while totally entrusting their destiny and future to the party and the leader [suryong]. They have also highly displayed laudable traits of warm comradely love and a

revolutionary sense of obligation by helping and leading each other in all fields of their social life.

Reflected in all of the laudable communist traits and beautiful deeds that have become a common sight and that have been generalized among our people today, are the energetic efforts and care of the dear leader Comrade Kim Chong-il who finds even a small laudable deed in a timely manner, treasures it, and bring it into full bloom. [applause]

Whenever the dear comrade leader finds even a small laudable communist deed among our people, he rejoices over it and depending on its content and [word indistinct], sees to it that the deed is published in newspapers and broadcast on the radio and television. Thus, he sees to it that such laudable communist traits and deeds are rapidly generalized throughout the country.

The dear comrade leader, even in the middle of the night, [passage indistinct] and sent his personal letters to (?those who did good deeds) and bestowed infinite love and care to them. [applause]

Because we enjoy the people-oriented politics that the dear comrade leader implements and the warm humane feeling and tender care for all the frontrankers in virtues, the political, ideological, and moral foundation of the socialism of our own style is solidified more firmly, and our country shines forth as a new flower garden where all members of society are brought up excellently as the revolutionary people with sound ideological consciousness and noble moral traits suitable for the characteristics of a socialist society and where beautiful communist traits are in full bloom. [applause]

Truly, our people have the highest glory, pride, and happiness because they live and carry on the revolution upholding at their head the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il, who have brought up the great people, who are endlessly noble ideologically and spiritually and endlessly beautiful in morals and fidelity, brought forth a new flower garden of beautiful communist traits in this land, and made immortal achievements in carrying out the most difficult and complicated cause of bringing up communist people with their great people-centered ideology, the great politics of love for people, and the great popular mass-centered leadership. [applause]

At this significant meeting of the national meeting of frontrankers in beautiful communist traits, we give, with the burning adoration and boundless loyalty of all the participants in the meeting and of the people of the entire country, the highest honor and warmest gratitude to the respected and beloved leader of our party and our people Comrade Kim Il-song and the dear leader Comrade Kim Chong-il, who have given endless glory and happiness to our people and made our chuche socialist fatherland a model country in bringing up communist people with their great love, outstanding leadership, and boundlessly noble moral influence. [applause]

Comrades: Today our party and people have an honorable but heavy task to crush the imperialists and reactionaries's anti-Republic and antisocialist maneuvers, to firmly protect and adhere to the popular mass-centered socialism of our own style, and to accelerate the chuche revolutionary cause. The dear leader Comrade Kim Chong-il has noted: We must achieve the country's independent reunification and the ultimate victory of the socialist-communist cause based on the might of the wholehearted unity of the leader, the party, and the masses, crushing the antisocialist maneuvers of the imperialists and reactionaries.

The imperialists and reactionaries are now employing all sorts of maneuvers to isolate and crush [apsal] our Republic, the fortress of socialism, but this is unworkable. Our party and people, who have been faithful to the socialist cause historically and are deeply aware of their mission for the times and mankind, are filled with firm faith in and optimism for socialism. They will continue to wage a more vigorous struggle consistently along the road of socialism under the banner of the chuche idea and overcoming all trials.

To further expand and develop in the entire society the beautiful communist traits being highly exalted among our people at present is a very important problem in more firmly solidifying the political, ideological, moral, and ethical foundation of the socialism of our country and continuously adding luster to its superiority. We should continuously and vigorously conduct the work of establishing the beautiful communist traits, whose justness and vitality have been clearly proven through practice, in close combination with various forms of mass campaigns which our party initiated and has led, so that beautiful and noble virtues may overflow in the entire society more abundantly.

To conduct more vigorously the work of establishing beautiful communist traits in the entire society, party members and working people should have a firm faith in socialism and make it their only just ideals and objectives of their lives and struggle. [applause]

A person with beautiful communist traits literally means one who has the ideological and spiritual character and moral traits and who lives and works in a communist manner. This character and these traits can only be brought forth when one has socialism as one's firm faith. One must have socialism as one's faith so that one can make it one's absolute demand of one's life and moral obligation to defend, develop, and complete socialism. This will enable one to exert the beautiful revolutionary's ethos, the beautiful communist virtues with which one shares one's destiny with socialism in any trials and wages a devoted struggle for its ultimate victory.

Socialism is our people's life and lifeline. We cannot think of our real freedom, equality, happiness, prosperity, brilliant destiny, or bright future apart from socialism. All party members and working people should cherish it as their firm faith that only the road of

socialism is the way to our people's glorious life and to their victory, and become the most thorough believer, resolute advocator, and faithful builder of socialism. [applause]

The first requirement in establishing beautiful communist traits in the entire society is to make the loyalty to the party and the leader their faith, conscience, morality, and life. The loyalty to the party and the leader is the basic core of the beautiful communist traits. When the loyalty to the party and the leader is systematized as one's morality, fidelity, and conscience, as well as the revolution's demands and obligation, one can fulfill one's obligation as a true revolutionary fighter. Based on this, one can display beautiful virtues and conduct.

Today we live and work in an important and responsible time in which we inherit and complete the chuche revolutionary cause, the cause of socialism, which the great leader Comrade Kim Il-song pioneered in the Paektu forest. At the head of the struggle of our party and people for inheriting and completing the chuche revolutionary cause, stands the dear leader Comrade Kim Chong-il; and a firm guarantee for the ultimate completion of our revolutionary cause, which has traversed along the single road of victory for 70 years, lies in upholding the comrade leader's leadership with loyalty. [applause]

We should deeply cherish the high pride and self-respect in living and carrying out the revolution, upholding the great leader [widaehan yongdoja] at our head, and should intensively exert our loyalty to the party, the leader, and the cause of socialism in upholding the dear comrade leader's leadership with loyalty. All party members, working people, and frontrankers in the beautiful communist traits cherish their loyalty to their leader [yongdoja], not only as the foremost demand of the revolution but as faith, fidelity, and morality coming from the bottom of their hearts. With loyalty to the dear comrade leader devoting to it their flawlessly clean conscience, they should make the revolutionary fighter's communist virtue of upholding the brilliant commander a custom and a life ethos which firmly prevails in the entire society.

The loyalty to one's leader [suryong] and one's leader [yongdoja] should be thoroughly displayed in firmly defending, adhering to, and adding luster to the achievements made by the party and the leader. We must not change in any adversity the trust and adoration for the great leader and the dear comrade leader who look after and add luster to our destiny and future. We must dearly cherish and resolutely adhere to the immortal ideological and theoretical achievements and noble leadership achievements made by the party and the leader as everlasting assets of our revolution. In times of peace or in times of stern trials, we must trust the party and struggle following the party to the end. [applause]

The wholehearted unity of the party and the revolutionary ranks is the firm basis that enables the beautiful

communist traits to come into fuller bloom in the entire society. We must inherit the tradition of our revolution's wholehearted unity and solidify more firmly the unity and cohesion of the party and the revolutionary ranks around the dear leader Comrade Kim Chong-il in terms of ideology, volition, morality, and fidelity. [applause]

All the party members, working people, and frontrankers of beautiful communist traits should thoroughly make it their life habit to think of everything according to the party's ideological theory, to act only according to the party's plan and intent, and do their utmost to strengthen the revolutionary discipline so that the entire party membership, all the people, and the entire army act as one under the slogan "What the party decides, we will do," under the leadership of the party center.

The socialist economic construction is an important struggle for further consolidating and developing our society by realizing the plan of the party and the leader. It is also a process of revolutionary practice in which people's ideological, spiritual, and moral character is highly displayed.

All party members and working people should wage an active struggle to thoroughly implement the party's revolutionary economic strategy at their respective posts by displaying high revolutionary consciousness and boundless devotion, and should further demonstrate the superiority of our country's socialism with actual achievements of revolutionary struggle by cultivating ceaseless upsurges in production and labor feats with the revolutionary spirit of self-reliance and fortitude.

Next year marks the significant 30th anniversary of the release of the great leader Comrade Kim Il-song's thesis regarding our country's socialist rural problems. As a task of the present, we should strengthen the popular masses-centered socialism of our style and further demonstrate its might by brilliantly solving socialist rural problems through the vigorous struggle of the entire party membership, the entire country, and all the people to complete the tasks presented in the socialist rural thesis. [applause]

In order to highly display the beautiful communist traits throughout the entire society, all the people should devote their lives in the struggle for the continuous growth and prosperity of the socialist fatherland with ardent love toward the fatherland and revolutionary consciousness.

Genuine communist revolutionaries are genuine patriots, and waging a devoted struggle for the country, people, society, and group is important in communist deeds.

We should highly demonstrate the noble virtues of devoting our all for the continuous prosperity of the fatherland and the people's happiness, cherishing deep in our hearts the great honor and pride of living and

carrying out the revolution in the chuche socialist fatherland which our people safeguarded and developed with their own blood and sweat under the leadership of the party and the leader.

All the party members and working people should find life's rewards in always giving priority to the prosperity of the fatherland and the people's interest, subjecting their all to this end, silently devoting their lives for the country's prosperity and development and the people's happiness, and working earnestly without being concerned about who may be observing them.

We should possess a truly patriotic, people-loving, lofty spirit with which we will set to work ahead of others and devotedly fight for, no matter how difficult the duty and the work may be, as long as it pleases the party and the leader and truly contributes to the prosperity and development of the fatherland. [applause]

In order to establish beautiful communist traits in the entire society more firmly, all society members should demonstrate the collective life ethos in which they help and lead each other and share joy and sorrow with warm comradeship and revolutionary fidelity. Collectivism is the ideological and spiritual foundation of communist virtues which form the basis for social life in a socialist society where unity and cooperative relations prevail.

The popular masses-centered socialism established in our country today is the most superior and strongest socialism in which the principles of collectivism are thoroughly embodied in all aspects of social life. In our country, the interests of society and the group are most thoroughly defended, and in the interests of the group, personal interests are respected and everyone receives maximum socialist benefits and care.

When all members of our society firmly establish the noble outlook on life based on collectivism in conformity with the nature of a socialist society where collectivism is regarded as being of vital importance, and when everyone devotes his or her life to the party, the leader, society, and group, beautiful communist traits will fully bloom with eternal vitality.

Frontrankers in beautiful communist traits should always be deeply grateful in their hearts for the trust and expectations of the party which trusts and praises the pioneers of the times, and continue to lead the way so that all the members of our society may highly display the revolutionary fidelity and beautiful traits of comradeship, firmly establishing beautiful and lofty collective outlook on life, caring for and loving each other, and sharing joy and sorrow with each other.

All the party members and working people should think of the interests of society and group in the first place wherever they are and whatever they do, and should firmly prepare themselves to become genuine revolutionaries who work earnestly devoting their all to the group and comrades.

Today, while conducting antisocialist maneuvers and anti-Republic commotions, the imperialists and reactionaries are craftily maneuvering to destroy the collectivist and communist ethics and morality among the people with faith in socialism and to spread capitalism's rotten, corrupted, and decadent ethics and morality.

Struggle in the domains of ethics and morality is a form of an invisible socialist-capitalist acute class struggle for ideological and mental [word indistinct]. All forerunners of communist virtues should take great national pride and confidence in living and carrying out the revolution in the most righteous and civilized socialist fatherland. Our socialist fatherland has firmly maintained genuine culture and morality and has created a brilliant example in the vanguard. All forerunners of communist virtues should resolutely reject the imperialist reactionaries' ideology, culture, and bourgeois way of life. They should be fighters who more resolutely fight for the victory of socialist culture, ethics, and morality.

We should take a thorough and revolutionary measure to prevent all kinds of capitalist way of life and nonsocialist elements, which corrupt and sicken the popular masses ideologically, mentally, ethically, and morally, from infiltrating our society. We should see to it that the whole society should be filled with sound and noble virtues of working and living in a communist way. [applause]

The work to bring into full play communist virtues should be a masses-oriented work in which all members of society participate with all social concern. Then the work can effect a great success. To expand and develop the work to bring into full play communist virtues as the work of all society and people, it is important to enhance the roles of the party's organizations in particular.

The experiences of many party organizations, including party organizations of [words indistinct] and Pyongyang Koryo Hotel, show that only when ideological indoctrination work is substantially conducted among the party members and working people can more beautiful deeds for society and groups be displayed among them.

Party organizations at every level should more broadly and deeply conduct the work with the people in keeping with the demand of reality development. They should vigorously conduct ideological indoctrination work through various forms and methods in a bid to get the party members and working people to positively learn from the deeds of the forerunners of communist virtues.

In particular, the party organizations should substantially implement the party's policy on [word indistinct]. By so doing, they should positively find out and encourage beautiful and noble virtues displayed by the party members, working people, and new generations. They should put great efforts into creating an all-social environment to bring into full play communist virtues.

Along with this, the party organizations should enhance the roles of [words indistinct] should further strengthen indoctrination in collectivism among the popular

masses; and should closely link the work to bring into full play communist virtues with various masses' movements, such as the movement to win the red flag of three revolutions and the movement to learn from unheralded heroes. By so doing, they should launch the movements to constantly increase the ranks of the forerunners of communist virtues with consciousness of objectiveness.

The fields of publications, press, and literature and art should briskly push ahead with the work of publication, press, and writing to positively find out and widely publicize the communist virtues and deeds displayed among the people. By so doing, they should positively arouse the people to carry out the revolution and bring into full play communist virtues throughout the whole society.

The socialist cause of our people, who have victoriously advanced under the wise leadership of the party and the leader [suryong] while upholding the banner of the chuche idea, has constantly developed under today's new historical environment. The future of our revolution is more optimistic.

The great leader [suryong] has elucidated the future road of the revolution in the vanguard and has led the people with the great party's tested leadership. No one can break our socialist might, in which the leader [suryong], the party, and the masses are single-heartedly united. Thus, our socialist cause is invincible and ever-victorious. [applause]

Let us all firmly rally around the party center with the respected and beloved Comrade Kim Il-song at its head. Let us all go forward for the reunification of the fatherland, the victory of the socialist cause, and the completion of the chuche-oriented revolutionary cause. [applause and chanting of slogans]

South Korea

UN Chief To Enter DPRK Via Panmunjom

SK1012013193 Seoul YONHAP in English 0122 GMT
10 Dec 93

[Text] United Nations, Dec. 9 (YONHAP)—United Nations Secretary-General Butrus Butrus-Ghali will pass through Panmunjom on his way to Pyongyang on Dec. 24 or 25, and return to Seoul via the truce village on Dec. 27, an official of the UN Secretariat said on Thursday. He will be accompanied by nearly 10 officials, including an adviser for security council affairs and a press aide, said the official. Hans Blix, director-general of the International Atomic Energy Agency, will not accompany him, however, UN sources said.

An official at the South Korean mission to the United Nations said that Seoul had asked Butrus-Ghali to attend the Taejon Expo in the summer but that the UN leader had to postpone his trip to Seoul because of tight schedule. His trip to Pyongyang was arranged later at North Korea's invitation, he said.

A UN source hinted that Washington may use Butrus-Ghali's visit to Pyongyang to deliver a message to North Korean President Kim Il-song and to obtain a response directly from the top leadership. Before traveling to Seoul and Pyongyang, Butrus-Ghali will visit Tokyo on Dec. 18.

Editorial Stresses Nuclear Transparency Guarantees

SK1012022693 Seoul HANGUK ILBO in Korean
8 Dec 93 p 3

[Editorial: "A Key To Resolving the Nuclear Issue Is How To Guarantee the Nuclear Transparency"]

[Text] In response to the strong U.S. demands that North Korea first accept overall inspection [chonmyon sachal] of its nuclear facilities, North Korea has proposed to settle the nuclear issue by accepting nuclear inspections of some of its nuclear facilities in Yongbyon. It is certain that North Korea's proposal is intended for its own interests by avoiding strong and last-ditch international pressure. It must be true that some changes have taken place in North Korea's stance, because it has, even a little, altered its previous position of "unconditionally refusing the inspection." The demands on conditions made by North Korea showed, however, the real intention of its nuclear card gamble.

Furthermore, it is a displeasure to see an act of North Korea, undertaken for various reasons, delay the resumption of North-South dialogue and the exchange of special envoys, which must be carried out with the inspection by the International Atomic Energy Agency [IAEA]. According to the principles reached at the Kim Yong-sam-Clinton summit talks, both the ROK and the United States must fully understand the hidden intention of the North Korean proposal and make every effort to confirm the transparency of North Korean nuclear development.

The contents of North Korea's new proposal were formed delicately. In its proposal, North Korea said that of its already declared seven facilities in Yongbyon, it would allow unlimited inspection of five facilities; it would only allow the batteries and tapes in monitoring cameras in the other two facilities to be changed, such as a five megawatt nuclear power plant and the nuclear waste reprocessing facility; and that it would be willing to discuss the inspections of the two facilities with the IAEA in the future.

The conditions presented by North Korea in return for its acceptance of nuclear inspection of some of its facilities are, however, tremendous. North Korea has demanded that both the ROK and the United States announce the suspension of the Team Spirit exercise and the opening of the third U.S.-North Korean talks at the time of the arrival of the IAEA inspection team in Pyongyang. It has also said that after this, it will come to the negotiating table to discuss the exchange of special envoys and the resumption of the North-South dialogue.

In other words, it has demanded that the diplomatic recognition of North Korea and economic cooperation be discussed at the third round of talks, that the ROK and the United States suspend all war exercises and military exercises, including the Team Spirit exercise, and that they suspend applying international pressure on North Korea before the exchange of special envoys.

This indicates that North Korea wants to leave the issue of the nuclear waste reprocessing facility, which has attracted great attention from the international community, for future bargaining, and that it hopes to gain actual interest from the ROK and the United States, and hopes to remove the military diversionary mechanism by allowing access of experts to its useless facilities.

In conclusion, North Korea's proposal directly runs counter to the "principle of a thorough or comprehensive approach" to the settlement of the nuclear issue agreed upon by the two leaders of the ROK and the United States. This principle includes that the IAEA must conduct nuclear inspection of the North Korean nuclear facilities first, that the ROK and the United States announce the suspension of the 1994 Team Spirit exercise in case North Korea completely agrees upon the mutual inspection of North and South facilities, and that the Untied States discuss with North Korea the normalization of diplomatic relations and economic assistance at the third U.S.-North Korean talks.

North Korea must know, therefore, that it cannot break the firm determination of the ROK and the United States unless it promises to confirm sincerely the transparency of its nuclear development. It may be a big mistake if North Korea feels it can relax the U.S. Administration's hard-line policy, and that it can avoid international sanctions.

The government must urge the United States to put a note on its reply message, which will be sent to North Korea sooner or later, demanding that North Korea accept the overall inspection of its nuclear facilities first, and that it comes to the negotiating table to resume the North-South dialogue. It must make sure that soft-liners or appeasers within the U.S. Government, who want to settle the headache nuclear issue at an appropriate level or in any form before the end of this year, should not resolve the North Korean nuclear issue without participation by the ROK. In resolving the nuclear issue, we must not repeat the same mistake as we did in the rice market issue.

U.S. Ambassador's Meeting With DP Leader Noted

*SK1012040093 Seoul CHOSON ILBO in Korean
10 Dec 93 p 4*

[From the "News Behind the News" program]

[Text] On 9 December, U.S. Ambassador James Laney visited Kim Chong-pil, chairman of the ruling Democratic Liberal Party [DLP], and Yi Ki-tae, chairman of

the major opposition Democratic Party [DP]. When they met with the ambassador, both Kim and Yi urged the United States to make "special considerations" over the issue of rice market opening.

In a meeting with the ambassador at the party headquarters in Yido, Seoul, DLP Chairman Kim told him, "Koreans know the reality in which the rice market opening is their inevitable choice. However, they are very concerned about the possible damage that our farmers will suffer," and asked him for thoughtful U.S. consideration for our situation, which was so difficult that President Kim Yong-sam had to apologize directly to the people."

Ambassador Laney responded to him that "he would do his best in dealing with the issue of rice market opening."

DP Chairman Yi explained to the ambassador, "The ROK's situation is different from that of Japan in various aspects," and asked him to "make positive efforts to prevent the country's rice market from opening," noting that "if the ROK agricultural community collapses due to the rice market opening, it would inflict damage to our friendly nations."

Responding to Yi's remarks, Ambassador Laney said, "I understand your position as the leader of an opposition party in stressing the seriousness of the rice issue and understand the peculiar significance of rice farming in the ROK. The Uruguay Round negotiations, however, are being held based on the confidence that countries will achieve their own economic growth through free trade and open markets," and hinted at the inevitability of the rice market opening by saying, "You may have some difficulties due to the rice market opening. Not only the ROK but Japan, France, and other countries will also have difficulties."

Chairman Yi also asked Ambassador Laney for cooperation in revealing the truth of the kidnapping of Kim Tae-chung.

ROK, U.S. Discuss Environment, S&T Cooperation

*SK1012093593 Seoul YONHAP in English 0751 GMT
10 Dec 93*

[Text] Seoul, Dec. 10 (YONHAP)—South Korea and the United States agreed on joint research on major environment issues in the first session of their Science and Technology Cooperation Committee Friday. The research will cover biological life patterns related to the greenhouse effect in major cities, marine life preservation, climate change, and aids prevention. The two countries promised similar joint research in mass transportation technology such as subway networks, Foreign Ministry officials said.

Seoul officials expressed hopes of inviting American scientists to Korea instead of dispatching teams to the United States and urged enhanced exchange of students,

officials said. But the two sides could not agree on establishing a technology development foundation, with the U.S. side citing funding problems since the foundation is purely commercial and cannot be supported by the government.

The meeting, to continue to Saturday, is the first commission session since the bilateral cooperation agreement was signed in January last year.

The two countries had a science-technology cooperation agreement in 1976, but it expired in 1988 and was left unrenewed because of unsettled intellectual property rights issues. The pact was resigned in January last year and went into effect in Korea in July.

DPRK To Return 33 UN Soldiers' Remains 14 Dec

SK1012070893 Seoul YONHAP in English 0639 GMT 10 Dec 93

[Text] Seoul, Dec. 10 (YONHAP)—North Korea informed the United Nations Command on Friday that it will return the remains of 33 UN soldiers killed or missing in the Korean war on Tuesday at Panmunjom. With this, North Korea will have returned 97 sets of remains of UN soldiers within 15 days. Pyongyang returned 17 remains on July 12, 33 on Nov. 30, and 31 remains on Dec. 2. The return on Dec. 14 will lift to 114 the remains delivered to the UN Command this year. This compares with 46 remains returned between May 28, 1990, and May 28, 1992.

The UN Command and North Korea agreed to cooperate in finding, returning and identifying remains of UN soldiers located north of the Demilitarized Zone on Aug. 24. The UN Command gave Pyongyang the necessary materials to help it find remains, and North Korea returns remains whenever it finds them, according to informed sources.

Since North Korea hesitated to return them in the past, its current readiness to return remains is seen as a gesture of its wish to improve relations with Washington.

Pyongyang says that resuming high-level talks with Washington is a condition for inspections by the International Atomic Energy Agency. After the delivery next week, Pyongyang is likely to make one more return of remains this year.

Daily Comments on DPRK Politburo Listings

SK1012055593 Seoul CHUNGANG ILBO in Korean 10 Dec 93 p 1

[Text] It was confirmed on 9 December that Kim Yong-sun, secretary of the Workers' Party of Korea in charge of policies toward the South and chairman of the Reunification Policy Committee of the Supreme People's Assembly [SPA] of North Korea, has been excluded from the list of alternate members of the party's Political Bureau, following the reprehensible dismissal of Kim

Tal-hyon, a man of influence who was supporting the nation's opening up, from the position of chairman of the State Planning Committee of North Korea.

It seems that Kim Yong-sun has been eliminated from the alternate Politburo membership because he was held responsible for the deadlocked South-North relations caused by the nuclear issue.

Kim was promoted to alternate member of the party's Political Bureau when he was transferred from the position of director of the party's International Department to the position of party secretary in charge of policies toward the South in December 1992. Whether he remains as secretary in charge of policies toward the South or not is being watched with public interest.

Meanwhile, according to the NAEWOE NEWS AGENCY, the Sixth Session of the Ninth Supreme People's Assembly, which opened at Mansudae Assembly Hall on 9 December, held its second session on 10 December.

It is anticipated that when handling the agenda item on organizational issues during the 10 December session, matters concerning power succession to Kim Chong-il and reorganization and reshuffle of the State Administration Council and the SPA will be discussed, thus attracting public attention.

PRC Said To Freeze Amounts of Key Items to North

SK0912123793 Seoul YONHAP in English 1202 GMT 9 Dec 93

[Text] Tokyo, Dec. 9 (YONHAP)—Chinese President Jiang Zemin said during the recent APEC (Asia-Pacific Economic Cooperation) leaders meeting in Seattle that China would not increase the present level of the amounts of petroleum and foods it furnishes to North Korea, the daily MAINICHI SHIMBUN here reported in a dispatch from Washington Thursday. Quoting a senior U.S. Administration official, the newspaper said Jiang gave the word during his summit meeting with Japanese Prime Minister Morihiro Hosokawa. Also during the meeting, Jiang stressed that China does not recognize any nuclear development on the Korean peninsula.

The Chinese president said that China would do what could be a plus to the resolution of the North Korean nuclear issues but never do what could be a minus to it.

As a concrete measure, Jiang promised not to increase the present level of the shipment of Chinese petroleum, foods and other trade items to North Korea, the paper said.

The American official reportedly added that Jiang also made it clear that China will convey to North Korea its position that Beijing cannot recognize military stockpiling of the foods China supplied to North Korea.

Another U.S. official said it had been confirmed that North Korea recently offered to China to buy with cash several million dollars worth of diesel oil for use as tank fuel, but China rejected it.

U.S. Administration officials said that they had received the impression that China would not obstruct it if there arises a situation in which the United States and other countries would have to take a sanction against North Korea in connection with the nuclear question.

PRC's Jiang Orders Industrial Cooperation Study

*SK1012112193 Seoul YONHAP in English 0934 GMT
10 Dec 93*

[Text] Beijing, Dec. 10 (YONHAP)—Chinese President Jiang Zemin has ordered government officials to draw up plans to strengthen cooperation with South Korea in the field of automobiles, electronic telephone switching systems and other communications equipment.

According to a source well informed of affairs within the Chinese leadership, Jiang gave the instructions to Vice Premier Li Lanqing after meeting with South Korean President Kim Yong-sam in Seattle last month. Jiang called Li from his plane with the instructions while flying from the United States to Cuba after attending the Asia-Pacific Economic Cooperation summit, the source said, requesting anonymity.

As a result, the Chinese Government has already advised the Machine-building Industry Ministry to work on strengthening cooperation with South Korea for joint production of automobiles. Officials are drafting detailed plans for this purpose, the source said.

The Ministries of Posts and Telecommunications, Electronics Industry, and Aeronautics and Astronautics Industry were selected to study cooperation in the electronic telephone switching system, High Definition Television (HDTV) and aircraft areas, respectively, it was said.

The Chinese Government has decided to let Li, an economic expert, take full control over the joint projects, the source said.

Jiang had previously expressed interest in Korea-Chinese cooperation in the field of electronic telephone switching equipment when he met with South Korean Foreign Minister Han Sung-chu.

Premier Li Peng was also reported to have instructed Chinese officials to look into the possibility of cooperation with South Korea for the production of aircraft.

For joint production of automobiles, there were in-depth talks between a South Korean automobile investment mission and senior Chinese officials in Beijing earlier this month.

The two countries will hold further discussions for large joint projects when Kim Yong-tae, vice economic planning minister, and his Chinese counterpart, Ye Ging, get together soon, the source said.

Japan 'Readyng' for 'Possible Emergencies'

*SK1012043093 Seoul YONHAP in English 0245 GMT
10 Dec 93*

[Text] Tokyo, Dec. 10 (YONHAP)—Japan is seriously readying for all possible emergencies, even up to a military conflict, on the Korean peninsula in case the North Korean nuclear problem goes to the United Nations security council, the SANKEI SHIMBUN reported Friday.

The Defense Agency and International Trade and Industry, Transportation and Justice Ministries as well as the National Police Agency are involved in this task, started at strong U.S. urging and negative turns in the nuclear negotiations such as a UN Security Council resolution on Nov. 1, SANKEI said, quoting government sources.

Directors-general from each office meet regularly for comprehensive planning and exchange of ideas and recommendations, the sources were quoted as saying. The Defense Ministry is in the middle of strategic planning in case of armed conflict on the Korean peninsula, the paper said.

Specific questions being addressed are what Japan can do if North Korea attacks South Korea, how to mobilize U.S. troops in Japan, and if it is constitutional to call up the self-defense forces in case of an attack on Japan, it said.

Tokyo is looking into cutting off all cash and asset remittances to North Korea by Chochongnyon [General Association of Korean Residents in Japan], a pro-Pyongyang organization of Korean residents in Japan, closing air and sea ports, and all possible anti-terrorist measures, it said.

Japanese Companies Dominate Grain Imports

*SK1012041093 Seoul YONHAP in English 0237 GMT
10 Dec 93*

[Text] Seoul, Dec. 10 (YONHAP)—Japanese trading companies are handling 90 percent of Korea's grain imports, and because Korean trading companies have little connection with international grain majors they are likely to be far less competitive importing rice once the market opens, Trade, Industry and Energy Ministry officials said Friday. Up to 90 percent of the wheat, soy bean and raw sugar imported by Korea comes from Mitsubishi Corp., Mitsui and Co., C. Itoh Co. and Marubeni Corp., the officials said.

The four Japanese trading companies, which have long forecast agricultural market opening, have made inroads

into farm producing countries around the globe and are in the same ranks as top world farm majors in dealing and information capability.

Of Korea's 3.54 million tons of wheat imports last year, the four and Nissho-Iwai Co. sold 90 percent and monopolize wheat flour. The four imported 800,000 tons of soy beans, more than 60 percent of the 1.28 million tons of total imports, and Mitsubishi and Marubeni brought in 15 percent of the raw sugar.

The Japanese are unable to touch corn, Korea's biggest grain import, because the bulk comes from China.

Korean traders have avoided the grain import business lest they offend the public and farmers, an industry source said.

It is much cheaper to deal with Japanese traders, who readily bear deficits in exporting to third countries in a bid to secure as big grain import quotas as possible, than Koreans, who have no links with grain majors, the source said. Now that rice market opening is decided, Korean traders must build connections to international majors and take control of imports, he said.

Russia Studying Joint Cooperation With Koreas

SK1012021893 Seoul YONHAP in English 0144 GMT
10 Dec 93

[Text] Moscow, Dec. 10 (YONHAP)—Russia, in preparation for the advent of peace on the Korean peninsula, is looking closely into tripartite economic cooperation with South and North Korea in agriculture, fisheries, forestry, oil field and iron mine development, according to sources at the Russian Foreign Ministry.

Moscow holds that it ought to pursue tripartite cooperation with the two Koreas after thorough feasibility studies in order to help the circumstances for a united Korea mature, they said Friday.

Moscow can be a mediator if the communist North opposes direct cooperation with the capitalist South, they said, suggesting that an advisory council could be set up by the three governments to pursue the project.

By tripartite cooperation, Russia would mean that it offers the factories, technology and materials, while South Korea supplies the capital and facilities and North Korea rounds out the package with trained manpower, the sources said. The three could turn out highly value-added products and they would mutually benefit by exporting them to third countries, the sources theorized.

The ministry currently sees promising areas for joint projects as farming in Amur, Khabarovsk and Siberia, forestry in Yakutsk, Magadan and Amur, fisheries, coal, gas and oil exploitation, and iron mining in the far east.

Others include joint manufacturing of consumer items, building energy, petrochemical and electronics plants in Siberia and the far east, modernization of Russian firms

and North Korean factories, construction and maintenance of transcontinental railroads, and transportation links with the Tuman river development project.

Economic Cooperation Accord With Bangladesh

BK0912133093 Dhaka Radio Bangladesh Network in Bengali 1230 GMT 9 Dec 93

[Text] Bangladesh Foreign Minister A.S.M. Mustafizur Rahman signed an economic and technical cooperation accord with South Korea in Seoul today. He also urged the Korean authorities to legalize the stay of about 10,000 Bangladeshi laborers working in that country. A spokesman of the Bangladesh embassy in Seoul said that this agreement was signed after an hour-long meeting between Mustafizur Rahman and his Korean counterpart, Han Sung-chu. Mr. Mustafizur Rahman arrived in Seoul yesterday on a four-day visit. It is expected that the Bangladesh foreign minister will sign an agreement with the Import Export Bank of Korea tomorrow for extending a loan of \$14 million to Bangladesh. He called for increasing Korean investments in Bangladesh and also appealed to increase the volume of Korean imports from his country with a view to reduce the trade imbalance between the two countries.

Aviation Accord Reached With Philippines

SK1012023793 Seoul YONHAP in English 0200 GMT
10 Dec 93

[Text] Seoul, Dec. 10 (YONHAP)—Two Korean and two Philippine Airlines can have seven flights a week for each country between Seoul and Manila from April next year under an aviation accord reached Wednesday after two days of talks, Transportation Ministry officials said Friday.

Korean Air currently flies an MD-11 three times a week between Seoul and Manila and Philippine Airlines flies an airbus 300 twice a week.

It was also agreed that airlines will not need prior agreement to increase flights and Korean Air will no more need to pay nearly 2 million U.S. dollars a year to Philippine Airlines in compensation for having more flights.

Cargo planes of either side may fly up to a combined total of 90 tons a week from April.

Kim Yong-sam Discounts Rumors of Reshuffle

SK1012071793 Seoul YONHAP in English 0621 GMT
10 Dec 93

[Text] Seoul, Dec. 10 (YONHAP)—President Kim Yong-sam said Friday he is not contemplating a reorganization of his administration or the ruling Democratic Liberal Party.

"A certain segment" tends to raise the question of reshuffling personnel in the government and ruling party

whenever there is "an important development," he told the KUKMIN ILBO in an interview on the occasion of the daily's fifth anniversary.

"But it now is the time for us to concentrate all our energy to help solve a very important task for the future of our country," Kim said.

The government was doing its utmost in current negotiations in the Uruguay Round, the president said, adding that he believes all will be worked out in a balanced way.

Liberalization and internationalization will strengthen the structure and competitiveness of industry in mid- and long-term perspectives, he said.

The government plans to liberalize and internationalize the nation's industry at an adequate speed, taking adaptability into consideration, Kim said.

With regard to North Korea, Kim said that the nuclear issue is blocking an improvement in relations between the South and North but inter-Korean ties will make a great step forward once the nuclear issue is resolved.

Saying that no one can predict what North Korea will do, the president said unification could just come suddenly one day.

On problems related to elections, Kim said that the government will have to deal sternly against anyone who acts illegally. The law has to be observed and enforced even if many elections are declared null and void later on, he said.

Government Proposes 4-Year Rice Grace Period

SK1012002793 Seoul YONHAP in English 0015 GMT
10 Dec 93

[Text] Geneva, Dec. 9 (YONHAP)—South Korea has proposed opening its rice market partially after four years at 2 percent to 4 percent a year over a period of six years. The Korean delegation to the Uruguay Round of negotiations made what it called the final proposal during high working-level talks with the United States on Thursday afternoon.

The U.S. side did not show any "negative reaction" to the Korean proposal, but counterproposed that the rice problem be decided on in talks between Korean Agriculture, Forestry and Fisheries Minister Ho Sin-haeng and U.S. Trade Representative Mickey Kantor and between Ho and U.S. Agriculture Secretary Mike Espy.

The U.S. response is interpreted as meaning that Washington intends to seek a political solution to the rice question, sources said. The U.S. officials appeared to believe that the rice question will be resolved when negotiations on other problems proceed smoothly, they said.

As a result, the Korean side showed concessions it is willing to make on industrial products, financing and service industries.

It was decided to discuss problems related to liberalization of the financial market separately at a later date with an indication that the United States may press Korea for considerable concessions, they said.

Kang Pong-kyon, second assistant economic planning minister for international policy coordination, told reporters after the meeting that the Korean side made the proposal after expressing Korea's grave interest in rice market opening. He said, however, no one can say whether the rice question will be resolved "as we wish."

Ministers Meet 10 Dec To Study Rural Programs

SK1012113093 Seoul YONHAP in English 1116 GMT
10 Dec 93

[Text] Seoul, Dec. 10 (YONHAP)—The government held a relevant ministers meeting Friday afternoon to discuss ways to remodel rural areas in connection with the Uruguay Round talks.

The meeting, presided over by Prime Minister Hwang In-song, resolved to map out follow-up measures related to President Kim Yong-sam's special statement and enforce them positively.

The attending ministers decided to form three subcommittees on rural income boosting, rural environment improvement, and rural education and cultural programs to devise detailed steps to improve rural conditions.

Chi won-hoon, press secretary to the prime minister, said the proposed subcommittees will be participated by farmers' representatives and academicians in addition to government officials.

"Today's meeting broadly discussed measures to renovate rural areas from a zero base. Detailed measures will be prepared under the responsibility of the prime minister's office," an aide to the premier said.

The meeting was attended, besides the premier, by Deputy Prime Minister Yi Kyong-sik, Foreign Minister Han Sung-chu, Finance Minister Hong Chae-hyong, Education Minister O Pyong-mun, Trade, Industry and Energy Minister Kim Chol-su and 12 other ministers and vice ministers.

Opposition to Rice Market Opening Dies Down

SK1012080693 Seoul YONHAP in English 0747 GMT
10 Dec 93

[Text] Seoul, Dec. 10 (YONHAP)—The opposition Democratic Party (DP), with President Kim Yong-sam's apology Thursday for not blocking rice market opening serving as a turning point, appeared on Friday to have recognized the unavoidability of rice imports though it was sticking to its anti-opening position outwardly. The

party would continue to fight rice market opening outside parliament while demanding a special parliamentary session to deal with rice imports, DP Chairman Yi Ki-taek said.

"Of course, we'll oppose the treaty on rice market opening when it is sent to parliament for ratification," he said. "But the problem is that we have no other effective measures. It appears that President Kim's apology yesterday has blunted the brunt of our offensive."

The determination of farmers to fight rice imports is weakening as a result of the government's talk about the benefits they will get after the market is partly opened, Yi said.

"The government started yesterday an intense publicity campaign that purports to convert the country into a paradise overnight," DP Spokesman Pak Chie-won said. "Conclusion of the Uruguay Round negotiations will bring a big change to our economy and we must take measures to cope with such change."

"The Democratic Party will keep its opposition to rice market opening to the last minute."

Some DP lawmakers said that the opposition party shares the responsibility for rice market opening.

"The Uruguay Round negotiations started in 1984, and the opposition party should have done something against rice market opening through parliamentary diplomacy," Rep. Yi Pu-yong said. "The opposition party should share the responsibility. It should not make political use of the rice market opening issue."

Rep. Han Kwang-ok said, "We should consider this a national crisis and seek to take supra-partisan measures against it."

The heads of three non-parliamentary DP district chapters in North Chungchong Province shaved their heads at the North Chungchong provincial government building on Friday morning after issuing a joint statement protesting President Kim Yong-sam's address to the nation on rice market opening the day before. They were Sin Un-kwan, head of Chongwon district chapter; Chong Ki-yong, head of Chongwon district chapter; and Kwon Un-sang, head of Chechon district chapter.

They said in the statement that the lifting of the import ban on rice and other staple farm products would destroy agriculture root and branch and pledged to do their best in the fight against farm market opening.

New Rallies Planned for 11 Dec

SK1012104293 Seoul YONHAP in English 1026 GMT
10 Dec 93

[Text] Seoul, Dec. 10 (YONHAP)—Unabated by President Kim Yong-sam's apology to the people on Thursday for failing to stave off the opening of the nation's rice market, public rallies against the rice market opening are set to take place in 11 cities and counties across the

country Saturday. About 15,000 farmers, workers and students are expected to attend them.

In Seoul, a protest rally would be held at the Pagoda Park along the Chongno Street at 3 P.M. Saturday with the participation of about 1,000 farmers and workers. Following the rally, participants are to march all the way to the Myong-dong cathedral. The rally is co-arranged by Chonnodae (National Conference of Union Representatives) and Chonnong (National Association of Farmers' Societies).

A police source said the police fear many students of activist Hanchongnyon (Korea Association of College Student Organizations) would participate in the Pagoda Park rally now that term examinations have just been over.

The police have taken steps to tighten security at Chongwadae [presidential offices and residence], National Assembly, American Embassy and other U.S.-related facilities as they could be targets of surprise student actions after the rally.

The pan-national committee for thwarting the opening of imports of rice and other basic farm goods declared Saturday to be the "second day for practicing resistance to rice market opening."

The committee said it would organize protest rallies in 11 cities and counties including Taegu, Taejon, Wonju and Hongchon on Saturday. In the first protest day of last Tuesday, the committee hosted a large rally at the plaza of Seoul railway station.

Meanwhile, about 2,000 students belonging to Sochongnyon (Seoul Area Association of College Student Organizations) held protest rallies at their respective campuses on Friday. The schools where the protest moves were Yonsei, Korea, Hanyang, Kyonghee, Sungkyunkwan, Sogang and Kukmin Universities and five others.

The rallies were followed by their collection of citizens signatures against the rice market opening at several major street intersections in Seoul. In another action, about fifty Sochongnyon students staged a sit-in front of the American Embassy for about 15 minutes beginning 12:10 P.M. before they dispersed by themselves.

Papers React to Kim Yong-sam's 9 Dec 'Apology' SK1012053293

[Editorial Report] Seoul vernacular daily newspapers on 10 December carry editorials on ROK President Kim Yong-sam's 9 December "special statement" on the opening of the ROK rice market.

The conservative CHOSON ILBO carries on page 3 a 2,000-word editorial entitled "Declaration of Opening and Survival Strategy." Expressing skepticism on the "significance" of the surging national opinion pertaining to the rice situation, which even caused the President's "apology," in the course of development of ROK

society, the editorial notes that the "impact and shock" given at home by opening the rice market is still "unpredictable" due to the "political, economic and cultural factors" concerning rice and farmers. The editorial stresses that the president's declaration on the rice market opening was "inevitable," although it may be "criticized" by some people, and defines his declaration as an expression of his "will to join the new international order."

Describing the internationalization as an "inevitable choice for survival and development" under the "new international order," the editorial urges people to ensure "wisdom and competitiveness" to survive in "fair competition" in the international arena, and to enhance ROK "capabilities" to the international level.

The liberal TONG-A ILBO carries on page 3 a 1,000-word editorial entitled "The President's Apology and Resolute Decision." Deploring the situation that forced the president to make an "official apology" to the people, the editorial "highly appraises" the president's "candid attitude" and "courage" of making an apology. The editorial says that with the president's statement, the rice market opening has become an "official issue" and expresses expectations for the "pledges" made by the president. Warning that "political dispute" and wasting time by merely shouting "absolute opposition" to the opening should not be repeated, the editorial calls on the people to ponder the genuine "national interests" the ROK should seek in the future.

The moderate KYONGHYANG SINMUN carries on page 3 a 1,200-word editorial entitled "Tasks After 'Apology'." Criticizing "close associates" of the president and "experts" in the rice issue for having led the situation even to the president's "apology" without creating "negotiation capabilities," the editorial urges the government to work out "effective measures" to make farms "survive" through "adjustment of agricultural structure, compensation of damages, and improvement of agricultural policy." The editorial then stresses that since the ROK is waging a "death-defying" struggle in the world's "economic war," the rice issue should not be a "target of wasting political dispute."

The pro-government SEOUL SINMUN carries on page 3 a 1,200-word editorial entitled "There Is Only One Road Toward the World." Hailing the president's statement as an expression of "attitude deserving the people's trust," the editorial hopes that his decision be an "occasion" for "correctly advancing national opinion" and for "uniting the national strength." Stressing "internationalization" as the only way for us to "survive" in the international trend toward "change and reform," the editorial points out that "competition" and "cooperation" within the GATT system is the only "choice" the ROK can make, and that "wasting disputes" over the "opening" is an "anachronistic and erroneous attitude." Noting that the civilian government is united so as to "overcome" all trials, the editorial urges the people to

assume the current statement as an occasion for "turning a misfortune into a blessing."

The left-leaning HANGYORE SINMUN carries on page 3 a 1,200-word editorial entitled "The President's Statement Goes Against the People's Expectations." Pointing to President Kim Yong-sam's election campaign pledge that "he will protect the rice market even at the risk of his presidential position," the editorial stresses that the people's last hope has "silently collapsed" and that "indignation" for his "treachery" is overwhelming the entire nation. The editorial notes that the president's statement cannot "persuade" the people who are unaware of what his "concrete efforts" to protect the rice market mean. Criticizing each remark included in the president's statement on "comprehensive measures" for building new farms, the editorial notes that the president will not be able to "repress" farmers' protest against him merely with such a statement issued as a matter of "formality."

The editorial concludes that although the president's pledge that he will make the present situation as "a new start" for agriculture is not "trustworthy," the people will long "remember" it as "another public promise" he has to fulfill.

Parties To Set Up Special GATT Committee

SK1012073593 Seoul YONHAP in English 0725 GMT
10 Dec 93

[Text] Seoul, Dec. 10 (YONHAP)—The ruling and opposition parties agreed Friday to form a National Assembly special committee on the Uruguay Round [UR] to help the nation cope with the changes wrought by the world trade accord. Under the agreement, hammered out in talks between floor leaders Rep. Kim Yong-ku of the Democratic Liberal Party and Kim Tae-sik of the Democratic Party, the special committee on the Uruguay Round will be separate from the special committee on raising international competitiveness.

The steering committee will vote on creating the committees on Dec. 13, and the proposals will be submitted to the floor of the National Assembly on Dec. 16. The UR committee will discuss ways to raise international competitiveness in all industrial sectors, including farming, in preparation for an accord that frees world trade. The 21-member UR committee will start work at year-end and the 25-member competitiveness committee will begin its activities next year.

After being briefed on the progress of the UR negotiations in Geneva, the opposition party Kim called for interpellation on the government's measures on Dec. 16 and an ad hoc session of the National Assembly after its regular business has been completed.

The ruling party Kim opposed the idea, saying interpellation at this stage was not in the national interest, and instead proposed a report on the UR negotiations before

the assembly adjourns. The floor leaders also discussed creation of an intelligence committee, but disagreed on the timing.

The opposition party Kim suggested forming the committee this session, but the ruling party Kim noted that there had been no agreement on details and that there was little time. After the meeting, the ruling party Kim told reporters that it was physically difficult to form the intelligence committee this session and it was better to do it during next year's ad hoc session.

The intelligence committee should comprise senior lawmakers of character and experience and the number of committeemen should be limited in light of the exceptional delicacy of the affairs they are to deal with, he said.

The two floor leaders promised each other to do their best to handle some 80 laws on reforms, elections, political funds and public livelihood this session.

GATT Says Asia's Four 'Dragons' To Gain Most

*SK1012093393 Seoul YONHAP in English 0756 GMT
10 Dec 93*

[Text] Seoul, Dec. 10 (YONHAP)—Asia's four "dragons" are the developing nations with the most to gain from a Uruguay Round [UR] trade accord in the industrial sector, the Korea Trade Promotion Corp. (Kotra) quoted a General Agreement on Tariffs and Trade (GATT) report as saying Friday.

Kotra said GATT's analysis of UR market access offers for industrial products was that countries receiving most-favored nation [MFN] status will profit more than nations with preferential tariffs or belonging to Free Trade Associations. The four dragons—Korea, Hong Kong, Taiwan and Singapore—have MFN favors while most African and Latin American nations have preferential tariffs.

Under the global trade accord, exports of daily commodities by MFN nations will rise 7.4 percent, those by preferential tariff nations will rise 3.3 percent and those by members of free trade associations will fall 1 percent. Exports of MFN nations will increase in most industrial fields. The four dragons, whose economies are led mostly by industrial exports, will gain the most from conclusion of the Uruguay Round.

Industrial goods account for 98.1 percent of Korea's exports, 98.6 percent of Hong Kong's, 97.2 percent of Taiwan's and 96.7 percent of Singapore's.

Imports by advanced nations of daily commodities, including leather goods, footwear and travel goods, will rise 4.3 percent.

Textile and chemical imports of advanced nations will rise 2.1 percent, while natural resources, and agricultural and fisheries imports will increase 1.3 percent.

Lawmakers Vying for Intelligence Committee Posts

*SK1012034693 Seoul YONHAP in English 0220 GMT
10 Dec 93*

[Text] Seoul, Dec. 10 (YONHAP)—With revision of the law on the Agency for National Security Planning (NSP), many lawmakers are reportedly vying for a seat in the soon-to-be-formed National Assembly intelligence committee.

Quite a number of representatives from both sides of the aisle are running for membership of the committee, scheduled to be established before the end of this regular session, Assembly insiders say.

The Assembly has still to revise the law on the Assembly itself in order to form the committee. It is not known, therefore, how many members the intelligence committee will have or whether it is going to be a standing or special committee.

At any rate, the intelligence committee is expected to be the most prestigious, if not influential, of all committees in the nation's 299-seat unicameral legislature, they say. The sudden popularity of intelligence is ironical given that most politicians, especially those in the opposition, abhor the nature and work of the NSP.

Many politicians hate the NSP, partly because it acquired a bad name for itself by interfering in domestic politics during past administrations of former Army generals.

It was for this reason that the National Assembly, upon the insistence of the main opposition Democratic Party, revised the law on the NSP, placing the agency under increasing supervision of the National Assembly.

In a way, therefore, it is quite natural that at least three to four Democratic Party lawmakers are being mentioned as possible members of the intelligence committee. They include Rep. Park Sang-chon, who was instrumental in the creation of the committee.

Rep. Kang Chang-song of the Democratic Party, a former ranking official on the NSP, is said to be a shoo-in. But when it comes to experienced former intelligence officials, the ruling Democratic Liberal Party [DLP] has them a plenty.

Aside from DLP chairman Kim Chong-pil, the first director of the NSP's predecessor, the Korean Central Intelligence Agency (KCIA), there are seven experienced intelligence officers among DLP lawmakers.

There are two former NSP directors—Reps. Pak Se-chik and An Mu-hyok. Reps. So Su-chong and Kim Ki-to were chief secretaries to NSP directors, and Reps. Kim Yong-kwang and Kim Tong-kun were senior NSP officials.

Rep. Kang Chae-sop headed the NSP's policy research office when he was a public prosecutor. But if the

intelligence committee is filled with former NSP men, objective supervision and control of the agency will be difficult, if not impossible, because they are in a certain sense "insiders" of the country's intelligence community, observers say.

Stressing this point, many other lawmakers, admittedly novices on the intelligence front but nevertheless political heavyweights, are said to be bidding for places on the committee.

What is intriguing about choosing members of the committee is the problem of background checks, which are required because of the nature of the committee's work—national security matters.

In order to become a member of the intelligence committee, a strict and thorough personal background check has to be carried out not only on the candidate but on immediate relatives, aides and even secretaries. And who is going to check their background? Officials of the NSP, which the lawmakers are to supervise and control.

No Threat Seen for Kim Yong-sam's Reform

942C0036A Seoul *MAL* in Korean Nov 93 pp 24-29

[By reporter An Yong-pae: "Who Are the Organized Resistance Forces Against the Kim Yong-sam Reform?"]

[Text] At a time when even the military—once the most powerful anti-reform force—has transformed into a "pro-YS" [Kim Yong-sam], we hear words from Chongwadae that "there are forces resisting reforms." Is it true? If so, how strong is their resistance? The following is a report on the present status of "reform" in our society.

"There Can Be No Such Thing As Organized Resistance."

At a 22 September Chongwadae reception for Cardinal Shawkar [as published] of the Vatican, President Kim Yong-sam told Cardinal Kim Su-hwan that "there are forces of resistance in our society," creating a delicate stir in the political world. Along with the supplementary measures announced for his decree that outlawed financial transactions using false names or aliases, the president's remark has made the reading of the Kim Yong-sam "reform function" increasingly difficult. Some view it as a conciliatory gesture while others see it as a stiff warning. The focus of concern is who are the "forces of resistance" and how powerful are they. Again, the answers vary. Some say that it is aimed at non-RDP's [members of the former Reunification Democratic Party] in the Democratic Liberal Party [DLP], while others contend that the president was criticizing bureaucrats, and still others claim that it was a warning to conglomerates and private lenders of the underground economy, all citing their reasons. Then, what is the "truth" behind the presidential comment?

On 6 October, the National Assembly Administrative Committee held its hearings in the office of the First

Minister of State as part of the parliamentary inspection of the administration. Rep. Kim Chung-hyon of the Democratic Party [DP] asked First Minister of State Kim Tok-yong, "Whom did the president mean by 'the forces of resistance against reform'?" The minister answered: "Reform is accompanied by pains and discontent. Consequently, some people would perhaps fear losing their vested rights. But the government cannot give up or slow down reform just because some are against it. Reform—unlike revolution which is very forceful—is something with which all are expected to cooperate." "In respect to the reported comment by President Kim," he noted, "it was meant to urge those who are dissatisfied or ill at ease with reforms, if any, to stop complaining and to come forward and cooperate with them. But I feel that reports concerning his remark were exaggerated and out of context. The absolute majority of the people support the reform program. There can be no such thing as organized resistance against it."

According to the minister, there is no such thing as organized resistance against reform and there cannot be any. Nevertheless, we continue to hear rumors alleging its existence. It could be because power relationships surrounding the reforms are very complex. Therefore, it should be a meaningful thing to try to shed light on this matter to better understand the reform by the Kim Yong-sam government.

The number one resistance force against reform could be those politicians of the conservative camp. It is generally thought that a majority of the DJP [Democratic Justice Party] and NDRP [New Democratic Republican Party] factions in the DLP belong to that category. Then, are they organized? A key member of the RDP faction explains the present situation as follows:

"Disaffection for President Kim Yong-sam is strong. First of all, people whose vested rights are threatened are having troubles in many ways. They can neither play golf nor wield their authority as lawmakers as they did before. Furthermore, the reforms, ranging from the property disclosure and the ban on the use of false names or aliases in financial transactions, left them fully exposed to the public eye. Since they are veterans of a political culture that has survived successive political reprisals, however, they know how to lie low. If there was a political change by a coup d'état, two thirds of the lawmakers would oppose the reforms."

To the question "if the political climate today has anything in it indicative of an organized threat to reform," a majority of politicians expressed skepticism. An informed source of the political sphere observed: "It is difficult to see an atmosphere or signs of opposition within the DLP, which is well aware of the physiology of political power. Even elders of the DJP faction tend to take a low posture, saying 'you have to wait and see at least one year.' Even when a fellow legislator who was on the same boat until yesterday is arrested by investigative authorities in the audit-and-inspection drive, they would

not even go and see him. They are only interested in one thing: 'I must survive this crisis myself no matter what.'"

In this connection, a young member of the DP faction said that "it is more correct to say that individual legislators of the DJP and NDRP factions seem to be trying to protect their political interests than resist against reform." "In the DLP," he noted, "what is important for members who are mostly opportunists is not the success or failure of reform but to have good relationship with Chongwadae. They are only interested in whether or not the DP faction monopolizes it." "Paradoxically speaking, Korea's political backwardness is due to the existence of opportunist politicians, hence no resistance forces," he added. As a result, they are not thinking of doing anything but muttering to themselves, "Mr. So-and-so, how lucky he is!" Or "Why couldn't I be a new DP man?" The most they will say is, "Let's wait and see. Things will be different next year." Nothing more than that, according to him.

There is another observation, basically similar but containing a touch of difference. Another informed source had the following to say:

"The atmosphere has somewhat changed recently. As demonstrated in the meetings at Chongwadae, the door to free exchange seems to have opened wider. In the cases of the DJP and NDRP factions, they had not held any factional meetings for a considerably long period of time but are now holding such meetings more frequently—to exchange views on specific topics or just for regional gatherings. Even when they meet for no particular purpose, they are bound to air their grievances to one another, like fellow sufferers pitying one another."

Pointing out that what draws attention is whether there will be a revision of the election law, the same source continued:

"The DLP-proposed revision of the election law, which the DLP is expected to finalize late this month, virtually prohibits candidates to spend money on their campaigns. The ruling party, which had relied on its organizational and financial resources, would lose its means of maneuvering. Leading figures of the DJP faction are quite unhappy although they conceal their unhappiness. Driven by a sense of crisis that it may deprive them of their "lifeline," they reacted against the plan, saying "The proposed election law revision is too much of a utopia" or that "Is it that they don't care even if the DLP again falls to a minority party in the National Assembly?"

This leads to speculations that there would be maneuvering from various angles to ease their complaints. In this connection, some are even hoping that the opposition party will hold the planned election law revision from the standpoint of restraining the leadership of President Kim Yong-sam. The prevailing observation, however, is that it would not be too difficult for President Kim to deal with intraparty grievances—such as

those coming to the fore during a general meeting of DLP lawmakers—if he remains as firm of purpose as ever.

Should an organized resistance break out, when would it be? The general opinion is that presently, what lies deep in the sentiment of individuals are expressions, so it is far from being organized. Therefore, an overwhelmingly popular observation is that unless the government makes a bad move, there will be no particular signs of any organized resistance before President Kim becomes a lame duck. Meanwhile, a non-political figure, known as a close aide to the president, had this observation:

"There can be no organized resistance against reform for the time being. Under the presidential system, there is no fear of it unless the president himself changes. It all depends on President Kim Yong-sam and on the people of this country. The question is what course those personages who have been dissatisfied with the reforms will take at a time of national political reshuffle like a general election. It would be a time for showdown anyway."

Next to politicians come bureaucrats. The Reverend In Myong-chin, a reformist who is active as a member of the Administrative Reform Committee and the Committee for the Prevention of Irregularities, said:

"Bureaucrats are evidently unhappy. It is a fact that lower-grade bureaucrats saw their income go down as they lost private profits accruing from their jobs while their salaries are held down, while upper-grade ones, worrying about their job security, are unsettled and unable to keep their minds on work. But it is nothing like organized resistance. The reason they are not pro-reform is that they are unwilling to change the system to which they are so used, rather than that they adhere to any conservative position. Government officials' sectional egoism and conservative attitude are the way of life they have cultivated for 30 years. It is unreasonable to expect them to change overnight."

In this connection, a DLP personage said that "if President Kim's remark was aimed at bureaucrats, he must have meant their laziness, their easy-going attitude and obsolete way of thinking, not that there exists any resistance force among them." Then, how do bureaucrats themselves view this situation? An official of the Ministry of Home Affairs said:

"Basically, it is impossible for bureaucrats to mount organized opposition by, for instance, forming private organizations. Even if it is a policy against their interests, they will remain quiet, listening to the authority issuing orders on it, then turn around without showing their personal response. A piece of personnel action order can put them and their families into trouble instantly, and in that plight they can hardly be so reckless that they oppose the leadership outright. But they could carry out what they have in mind later. Through their work, bureaucrats have connections with prominent figures in business, media, and other walks of life in one way or

another. In short, they either mobilize personages having a pull with Chongwadae to have their voice heard, or go to journalists to have their positions reflected in media."

It is feared that bureaucrats' strongest resistance will be directed against the local autonomy system.

"High-ranking bureaucrats of the Ministry of Home Affairs will oppose the system to the end," said the same official. The reason: If the local autonomy system is put in effect now, some 200 mayor and county chief positions will be gone for them forever. For an internal analysis, he continued:

"It was the Ministry of Home Affairs that played a decisive role in sidetracking former President No Tae-u's plan to put the local autonomy system into effect. The fact may signify that bureaucrats as a collective have a considerably strong power, but the situation is different now. It is a legitimate government we have now, isn't it? Even if they mobilize the rich or media for lobbying or putting pressure, it would do no good if the president is firm of purpose."

Inclinations of bureaucrats take different expressions. A new-generation official expressed his view as follows:

"We, the young generation, support reform. Few of us have much money, land, or vested interests. If any bureaucrats are opposed to reform, they must be high-ranking ones, above the middle-class at least. To put it bluntly, if a few of those high-ranking officials, whose records are questionable in the eyes of audit-and-inspection authorities should be ousted, it would definitely mean a series of personnel changes. We have everything to gain and nothing to lose."

In connection with the question of whether there is any organized resistance against reform, one of the first things that come to mind is business circles. They cannot afford to carelessly vent their discontent about the audit-and-inspection drive or the decree outlawing financial transactions using false names and aliases if they are to avoid moral condemnations. However, if economic difficulty grows, the possibility of them taking advantage of it and letting loose their grievances also grows. Particularly noteworthy will be the moves of the conglomerates. They are in an ill mood as an aftermath of the regulatory measures taken by the new government immediately after it was installed. At the time, they—under the pressure of a "warlike atmosphere"—superficially pretended to support the measures; in their hearts, however, they were totally unhappy. But the climate has changed since the president had a series of tete-a-tete with each of the top conglomerate leaders.

An informed financial source explained that "in fact, a demand for supplementary measures concerning the new financial transaction system can be viewed as anti-reform. In the improved relationship between them, however, it is received as sound criticism. If the conglomerates had made a similar demand a few months

earlier, they could have been accused of being anti-reform. Since the conversion of conglomerate to 'partner,'" however, the atmosphere has been that Chongwadae is more receptive of their requests." Meanwhile, we also hear a very strong argument that the "conciliatory move" of Chongwadae is only a temporary tactic. Then, what is the attitude of the business world? The following is an observation by an "H" Group source:

"I don't think that the honeymoon is a temporary tactic of Chongwadae. According to the heads of business groups who had their tete-a-tete with the president, it seems that it was President Kim who was more impatient. The business leaders, well aware that the president is a good listener, had prepared a good many topics. However, out of a 100-minute conversation, President Kim spoke for 80 to 90 minutes. It was the business leaders who were listening rather than talking. President Kim pleaded for greater cooperation from the conglomerates in exports and plant-and-equipment investment. The 'surprise show' days are over now. Future ratings of the civilian government will depend on changes in the national income. If the economic growth should continue to decline from 4.5 percent to 4 percent next year, then to 3.5 percent, the Kim Yong-sam government will be in for an enormously heavy blow. In that situation, prices would continue to mount while wages are held down, causing discontent among the white-collar workers—the biggest support base for the Kim Yong-sam government—making it difficult for the government to even sustain its foundations. Under such circumstances, it is simply impossible to 'play a game.' Chongwadae is seriously asking for cooperation on its plan to refloat the economy through revitalized investment, cutting the unemployment rate and increasing jobs."

Needless to say, some observers are more cautious. They said it is still premature to be so "self-confident." An informed source said: "Overall, the economy is expected to recover at the end of the year and thereafter as the effect of the appreciating Japanese yen comes to the fore. Once the economic recovery gets under way, it will still be the government that has the whip hand. Basically, the image of the conglomerates is so bad that the public cannot but support the regulatory measures on them. And it is difficult to tell what step the government will take next."

The conciliatory relationship, created abruptly between Chongwadae and the business community to meet the mutual need, has encountered many problems. When he met separately with the top business group leaders, President Kim asked them to "give me your positive cooperation" and to "see that investment is increased." And the business leaders promised their "positive cooperation." But it was mere lip service, because they have done nothing about it. Despite the fact that conglomerates are financially better off, their position is to "wait and see for some more time."

Another business source said: "The conventional act-first-then-think style is only good for a lot of noise but no

result. For successful investment, business spends a considerably long time studying the prospects, including feasibility studies. In a situation where the political power overwhelms the economic power, the president wants the business leaders to do something quick in a visible fashion. The result is that top conglomerate leaders are compelled to meet the request, often flying overseas personally to meet that end. Nevertheless, businesses cannot afford to make goods that they cannot sell. They cannot do things that do not pay. That is why there is so much ado about plant-and-equipment investment while nothing is actually being done."

Then, will conglomerates turn to resistance when a crack comes in their honeymoon with Chongwadae? The general speculation is that since it will be difficult for the president to carry out a forcible merger of conglomerates, his options will be limited to regulatory measures, and that in that case conglomerates "can hardly find a pretext for organized resistance." In this connection, a business source said that "the days are gone when the 'invisible hand' of the government played a decisive role." "In seven more years, we will be in the 21st century. The next few years leading to it will determine the territories of conglomerates in the new century. For survival, they cannot but be 'excessively competitive.' In this situation, it is impossible for business circles to mount a joint front against the government, just like it is impossible for Hyundai Honorary Chairman Chong Chu-yong and Daewoo Chairman Kim U-chung to cooperate with each other. Since it is a life-and-death struggle, 'split of the business world' and 'excessive competition' are very natural phenomena. Even if they could mount a joint front, it would inevitably be a weak one. It is as clear as day that they would be accused of collective egoism and collapse in the end."

Truth of "Rigging" of Stock Market by Private Loaners

Another group suspected of being anti-reform are the private lenders of the underground economy. Specifically, they are suspected of having spread the "currency change" and "October upheaval" rumors to confuse the market following the blitz-style enforcement of the system outlawing financial transactions using false names and aliases. According to financiers, if people reacted against the new system on the grounds that it threatened their vested interests, they must have done so on an individual basis. Big businesses were prepared but individual operators were not. The judgment of individual operators had been that "even if it is put in effect, it will not be retroactive." To avoid adverse side effects, they thought, the reform if any, would apply only to future transactions. They soon found that they were wrong, and that the impact was far more devastating than they had anticipated. They were dealt a heavy blow.

Then, did they launch any organized resistance following the enforcement of the new system? The public opinion is that as far as the stock market was concerned, there have been no signs of such resistance.

Commenting, a market source said: "When private lenders launch an 'operation' to manipulate stock prices by spreading rumors, you can say that the chance of success is about 50 percent. In a successful case, the price of the targeted share would rise 20 to 30 percent over a week to a month. The average stock price that plummeted to a 660-point level immediately after the announcement of the new financial system recovered to a 720-point level by the deadline for confirmation of names. The average price indeed gained approximately 10 percent but changes centered on the general average-index stocks, and there were no jumps big enough to give rise to suspicion of rigging. If private lenders had spread rumors deliberately, they must have bought stocks when the prices were low before the rumors were spread, and selling them when the prices went up after they spread the rumors. However, no such moves were reported around the time when rumors were circulating. There was nothing unusual except transactions involving part of private investors in general. In the case of the "October upheaval", the situation was the same. There was no such thing as their selling stocks in advance and buying them back at lower prices later. It is difficult to say that private lenders made any organized moves to rig the market."

According to stock market sources, private lenders are in hiding looking for a way to save themselves. They also point out that emotionally, private lenders are sympathetic with the reform on some points, and that the stock market itself has grown so large that they are unable to manipulate it even if they want to. At the same time, the same sources maintain that since they are in competition with one another, chances are slim that they will exchange information with one another and take concerted action, and if they do so, it is bound to be a temporary one.

"Double Yardstick" of Media as Conservatives' Window

Currently, the most controversial anti-reform force is "media." It is because the media serve as a window for anti-reform forces. Its role is so controversial that the observation that "media dislike fundamental reforms and they only give lip service to reform" is received with sympathy even within the government." Kim Chu-on, chairman of the Korea Journalists Association, explains the situation as follows:

"Generally speaking, media are basically of conservative nature. Their middle-class or higher executives are in collusion with the owners and conservative in their very nature. Therefore, while ostensibly not against reform, they will—whenever they find a specific problem, however small—mobilize every possible rhetoric to speak for the conservative forces. A typical example is that they carried such unconfirmed reports that so many "007 Briefcases" were sold and that poison was found buried in a so-and-so place after the new financial system was announced. In cases like the "October upheaval", they were more active in spreading the rumor than trying to verify it. Over the tax issue involving excessive land

holdings, while it was true that there were some legal problems, the media simply ignored the fact that the official purpose was to prevent speculative land transactions, and only magnified the problems on behalf of large landowners. What they are doing is not to put together the people's opinions but to pick only the opinion of conservatives and try to present it as public opinion."

The media played a decisive role in the election of President Kim Yong-sam. As for President Kim himself, he has made a great deal of "investment" in the media. The behavior of CHOSON ILBO, known to have a special relationship with President Kim, is something beyond comprehension. In this connection, a desk of a certain central daily said as follows:

"CHOSON ILBO is a guide post for forces of vested interests advocating the maintenance of the status quo. The gap between its support of YS [Kim Yong-sam] during the campaign and its present way of news reporting is, in fact, nothing strange. The media, CHOSON ILBO in particular, actively supported YS in the 14th presidential campaign because they had misgivings about the behavior of Pak Chol-on who challenged the leadership within the conservative camp, and because they wanted to create a political configuration of greater stability. But they have a problem now because YS is trying to alter the power relationships within the forces of vested interests, instead of embracing them and walking together with them. The trouble between YS and CHOSON ILBO is a hegemony struggle between forces of vested interests, one may say. It should not be simplified as a struggle between justice and injustice, because there can also be problems and strains within the forces of vested interests."

Then, how far will the resistance of the media go? A source well informed of the media's inside affairs predicts as follows:

"The conservative attitude of the media comes from their fundamental nature. There is no such thing as owners meeting to forge a unified position for themselves concerning reform. Currently, the media are in a fierce, unbounded competition for survival; therefore, unless a new situation develops in which all media are threatened with another round of audit-and-inspection storm, there will be no such thing as owners getting together for a joint cause."

Who Should Be the "Pro-Reform" Forces?

Anti-reform "resistance forces" are widespread in our society. But they are neither organized as yet, nor are they in any organized movement. In this connection, an interested political source argued: "With regard to the expression that there are organized resistance forces, I don't take it to mean that there is any political struggle

going on. The Chongwadae comment should be interpreted as those who cling to their vested interests are now hanging on to a psychological, anti-reform tether in the wake of the financial reform, saying "Go ahead and do it if you can. I won't give in." Then, the remaining question is what should be done to keep the potential resistance forces from turning "positive."

A DLP source, explaining the Chongwadae's method, said that it "combined the legitimacy of the civilian government with the legacy of 'authority' from the authoritarian governments that had been in power in this country for many long years. With all that, and with the backing of the mighty media, it is holding down the discontent of the forces of vested interests." There is one thing worrying us in that situation, however, if things should go on like that, President Kim Yong-sam will soon be the one and only authority to determine everything about reform. In the final analysis, it is a major factor causing criticism that Chongwadae has no established reform program.

Representative Son Hak-kyu of the DLP disputes this observation, saying: "I see it as difficult to compare the reforms by the Kim Yong-sam government with what its predecessors did in their first days by exercising, only nominally, the power of audit and inspection. The predecessors secured power by conniving at corruption and recognizing vested interests; in contrast, President Kim is urging people to give up vested interests and work with him for reforms. Therefore, the important point is whether he will continue to push the same line in the future. It is of course true that he felt a little pressure and looked away on a few things, but that much of concession was something inevitable for carrying reforms to success. Persistence in the reform versus conservatism would inevitably lead to political instability. Reform is a process of continuity of government. Even if it is viewed as a unique program of the Kim Yong-sam government, it is absolutely meaningless to discuss whether it is a success or failure at this time."

There can be many different assessments of the depth and nature of the reforms. The final assessment may be left to history, but the question of methodology is an urgent task demanding an immediate review. In other words, before trying to identify the resistance forces, President Kim should determine where he should look for true support for his reforms. The following word from a journalist urges the Kim Yong-sam government to make a sound judgment on this point:

"Now the Kim Yong-sam government should make reform work. It should restructure and improve the distribution of wealth, rewrite the rule of the game and ensure that the reforms make the large masses of people winners. Only when they become the support base can the reforms be steered in the right direction."

*** North-South Economic Cooperation Discussed**
*942C0037A Seoul PUKHAN in Korean No 262, Oct 93
 pp 90-101*

[By KOTRA Northern Cooperation Department
 Director Kim Yong-sin]

[Text]

1. Actual State of the North Korean Economy

Economic cooperation between North and South is at a standstill due to the North Korean [NK] nuclear problem. The United States continues in its firm position that any improvement of relations would be difficult without the adoption of a positive posture and clear change of attitude on the nuclear issue by NK authorities. With this, concern is growing that NK's international isolation will increase and that the North-South dialog and even economic cooperation may enter a long-term cooling-off period.

NK's international isolation due to the nuclear issue, in particular, is driving the already extremely troubled NK economy into a state of collapse. Our present reality is a mixture of concern and expectation about what effect a NK economic collapse would have on us. That is, together with the expectation that a NK economic collapse might lead into the fall of its government, possibly bringing unification closer, there is concern that at this stage, a NK economic breakdown itself might be a burden on the South Korean [SK] economy, making the aftereffects of unification difficult to endure.

In this paper, we will examine the reality of NK's economy and its structural problems from an economic viewpoint. The writer will then give his own opinion on our proposals to cope with this.

The Recent State of the North Korean Economy

Getting an accurate grasp of the present state of the NK economy is in actuality extremely difficult. First of all, NK publishes almost no official economic indicators. Even if it does, it only publishes indexes telling by what

percent the economy grew over the previous year. Because the indexes themselves lack credibility and because there is no base year given, it is hard to get an accurate understanding of the figures. One has no choice but to depend on the indirect method of consulting surrounding conditions and past data to come up with one's own analysis of the figures.

Official statistics with which we can get a grasp of NK's economic condition have been published in a very limited manner since the mid 1960s. Even these contain serious exaggeration: every year, economic indicators show continuous upward movement. These official statistics lack any credibility, however. There has actually been economic stagnation since the 1980s and in the 1990s, the NK economy is showing continued negative growth. It is predicted that unless there is a new breakthrough, the NK economy will collapse within a few years.

The gravity of the NK economy was clearly seen in Kim Il-song's 1992 New Year's Address. The 1991 New Year's Address revealed the objectives of socialist construction to be, "providing daily necessities: white rice, beef soup, silken clothes and tile-roofed houses as opposed to thatch-roofed ones." The fact that the recent "two-meals-a-day" movement is being carried out on a large scale proves the seriousness of the North's economic situation.

Let us examine the state of the NK economy through the official statistics. Between 1987 and 1993, NK has been pursuing its third 7-Year Plan. Although it establishes an average growth rate for this period at 7.9 percent, according to the actual estimates, the NK economy recorded a low growth rate of 3.3 percent in 1987, 3.0 percent in 1988 and 2.4 percent in 1989. Then, entering the decade of the 90s, it recorded -3.7 percent in 1990 and -7.6 percent in 1991, a negative average-annual growth rate for six years of its 7-Year Plan.

NK's ordinary GNP is \$21.1 billion, only about one-twelfth of SK's (\$294.5 billion). With a per-capita income of \$943, it is one-seventh that of SK (\$6,749).

North Korea's Economic Growth Trends

Category	Unit	1989	1990	1991	1992	South Korea
GNP	Billion US \$	24	23.1	22.9	21.1	294.5
Per Capita Income	US \$	987	1,061	1,038	943	6,749
Economic Growth Rate	Percentage	2.4	-3.7	-5.2	-7.6	4.7

(Source: Board of National Unification and Bank of Korea)

According to data published by the Russian Economic Research Institute, NK's per-capita income for 1992 was \$800 and its per-capita military expenditure was \$200. This is more than SK's per-capita military expenditure of \$120, even though SK's per-capita income is \$6,700. This data shows that, taking up 40 percent of the national budget, NK's military spending is a huge hindrance to the daily lives of its people.

2. Background of North Korea's Economic Stagnation and Its Structural Problems

The NK economic crisis can be seen as fundamentally resulting from principle contradictions in its economic system. The recent, rapid collapse of its economy, however, is largely due to external conditions resulting from the fall of the former Soviet Union and the various countries of eastern Europe.

Limits to Growth Caused by North Korea's Self-Sustaining Form of Economic System and Socialist Economy

The most fundamental cause of the NK's recent economic stagnation can be found in the NK economic system itself. That is, due to a weak economic base and inefficient economic operations resulting from its fundamental economic policy, the construction of a self-sustaining economy and its system of centralized economic planning, NK reached the limits of economic growth.

As a traditional, centrally planned economy, the NK economic system aims for an "independent people's economy" through "resource regeneration" under a

banner of egalitarian distribution and economic independence. However, because of industrial imbalance due to the excessively closed nature of the economy, the composite military-industrial system, and a policy of giving priority to heavy industry—all resulting from resource regeneration—NK economic growth has rapidly dulled since the late 1970s.

By investing an excessively high portion of its resources in the military industry, NK's light industry and indirect-social sectors lagged behind by comparison. Despite the limitations of a small domestic market and impoverished resources, NK pursued a policy of giving priority to heavy industry. As a result, imbalance between industries increased, confronting the North with the limits of growth. Moreover, by adopting the closed policy of the resource-regeneration line, it also lost its capacity to adapting to international conditions.

As a result of its implementation of a policy of inward-directed industrialization, and prioritization of heavy and military industries aiming for the construction of an "independent people's economy" through "resource regeneration," NK has been excluded from the benefits of the international division of labor and is confronted with a state of internal, economic contradiction.

NK has its own limitations. Among these, it suffers from an absolute shortage of arable land in spite of its high emphasis on the agriculture, forestry, fishing and mining industries and it is a non-producer of petroleum. By giving distribution priority of its limited resources to the military-industrial-composite heavy industry, it has been deepening its internal state of economic contradiction.

Structure of North Korean Industry

Category	Agriculture, Fishery	Mining	Manufacturing		Electricity, Gas, Waterworks	Construction	Service			
			Light	Heavy			Government	Other		
Percentage	28	7.9	30	8	22	5	8.2	20.9	13	7.9

(Source: "1992 North Korean GNP Estimates," Bank of Korea, June 1993)

Trends in Structural Change of North Korean Industry

Category	1960	1970	1980	1990	1992	
					South Korea	
Agriculture, Forestry and Fishery	28.9	21.5	26.8	28.5		7.6
Mining	41.3	27.3	42.8	33.8		27.7
Indirect Social Capital and Services	29.8	21.2	30.4	37.7		64.7

(Source: Board of National Unification and Bank of Korea)

Deterioration of Surrounding Conditions Due to the Collapse of the Former Soviet Union and the Socialist World

NK's internal state of economic contradiction has been continually deteriorating. What touched off the powder keg of this internal, contradictory situation, however, was the change in the external environment which began with the collapse of socialism.

In the past, NK had been supplied by its socialist allies with energy, machinery and equipment, technology, etc., in the form of aid at prices incomparably lower than international prices. As these nations switched their countries to market economies, however, these favors were reduced. In particular, as the method of settling transactions was converted to hard-cash settlements, NK, suffering from a shortage of foreign currency, came to suffer from a shortage of commodities as well.

First of all, with its domestic economic reform, the Soviet Union announced it would discontinue the established barter system using open accounts in its trade with communist countries and that all settlements would be made in hard currency at normal international prices. With over 50 percent of its existing trade dependent on the Soviet Union, this was a severe blow to NK. The Soviet government decided to use hard-currency settlements in its trade with NK beginning in 1991. As a result, there was actually no trade between the two countries for the first quarter of 1991.

When the coup d'etat attempt by conservative forces occurred in the Soviet Union in August, 1991, NK openly supported it and with the advent of the Russian Republic after the coup was put down, it displayed naked hostility. It gave up any further hope in Russia when Russian President Yeltsin visited Korea in November 1991; Russia also expected this to be the day when NK would break away from it.

The collapse of the former Soviet Union, the discontinuance of barter trade, and the implementation of hard-currency settlements caused a reduction in Soviet petroleum exports to NK after 1989. It also led to reduced production by NK industry because of lowered factory-operation rates due to a temporary energy shortage and because of shrinking foreign markets.

Following the weakening of its relationship with the former Soviet Union, NK has sought to deepen its relationship of economic dependence on China. As a result, China became NK's number one trading partner in the 1990s and the percentage of total NK trade occupied by China has been gradually increasing. This is a relative phenomenon, resulting from reduced NK trade with its former main trading partners, Russia and Eastern Europe.

Despite the deepening of this relative economic relationship, problematic elements have always existed in the NK-Chinese trade relationship. Following the expansion

of SK-Chinese trade about the time of China's strengthening of its reformist and liberalization policy and the normalization of its relationship with SK in September 1992, the pattern of the Chinese economic relationship with NK began to show signs of changing.

Following the confrontation between China and the Soviet Union, it had continued to provide economic aid to NK to prevent it from growing closer to the Soviet Union. With Russian President Boris Yeltsin's visit to China in December 1992, a mood of detente matured between the two countries. Thus, the need to aid NK out of consideration for the Soviet Union (or Russia) was reduced. Following the acceleration of its own reform, liberalization, and its tendency toward a realistic, economics-first line and to move away from international ideology, in the 1990s China has worked to reduce its aid-type friendship trade with NK.

To accomplish this, China abolished friendship prices for its petroleum exports, making petroleum supply prices realistic, beginning in 1991. In late 1992, it called for hard-currency settlements in trade between the two countries to begin in 1993. Since hard-currency settlements will be implemented for open-account items between the two governments—centered on energy and military supplies—it is assumed that the Chinese supply of petroleum to NK will be reduced even further. It appears that NK's energy shortage will grow more severe.

Intensification of Foreign-Debt Problems Due to Loss of International Credit

Much capital will be required for the restoration of the NK economy, but since NK's foreign-currency reserve was exhausted, the demands by the former Soviet Union and China for cash settlements only ended up driving the NK economy into bankruptcy. Although pursuing an independent-economy line, NK does not produce petroleum and the amount of its food production is totally inadequate, so it is dependent on foreign countries for food and petroleum imports. Thus, it has an absolute need for foreign currency. In these circumstances, getting loans from various western nations is worth thinking about, but there are no western nations that would offer loans to NK, which has already experienced the loss of its international credit due to nonpayment of loans.

In the late 1960s, with economic growth slowing and unable to get the aid it had expected from the Soviet Union and China, NK obtained large-scale loans from Japan and Europe in the 1970s, spurred on by SK's economic growth.

After the mid 1970s, however, with the worldwide economic recession, NK experienced difficulties obtaining foreign currency due to a price drop in its main export item, ferris metals, and to the lack of competitiveness of its loan-introduction enterprise. Because of this, it put off payment of the principle and interest on its loans, which ruined its international credit and increased its overdue interest. This in turn led to the discontinuance of loans from the West. Because it discontinued payment

on principle and interest, overdue interest accumulated, causing its total debt to reach \$6.78 billion, over twice the original loan of \$2.74 billion.

As we saw from the above, the collapse of the NK economy is fundamentally a result of the limits of the socialist system's planned economy and of the closed economic operation, and independent rejuvenation. The

recent rapid economic collapse, however, was accelerated by the destruction of its commodities-supply system, etc. resulting from the collapse of the former Soviet Union and the socialist world. The importation of foreign capital is the only solution to this, but is impossible because of its foreign-debt problem. It is here that we can see the gravity of NK's economic situation.

North Korea's Foreign Debt

Category	Unit	1975	1980	1986	1989	1992
Total Debt	Billion US \$	2.1	3.46	4.06	6.78	9.72
Original Debt	Billion US \$	1.2	2.2	2.23	2.74	—

(Source: "A Comparative Study of Trends in North and South Korea's National Resources," People's Unification Research Institute [Minjok Tongil Yonguwon], Dec 1992, p 366)

4. Severe Energy and Food Shortages

[as published, there was no section number "3" in the original text.]

As for the seriousness of the NK economy, rumors of rioting, and factory-operation rates of less than one-third are being confirmed through overseas Koreans who have visited NK. We can view "energy shortages" and "food shortages" as the causes of this crisis.

Energy Shortages Spreading to All North Korean Industrial Production

Although the NK energy crisis is not a recent phenomenon, it has recently intensified and this is where the seriousness of the problem lies. The energy shortage in particular is dealing a severe blow across the whole of NK industry, restricting vehicle travel and bringing

factory operation to a halt. Designating the coal industry, electric-power industry, and metalworking industry as sectors for special emphasis, in his 1993 New Year's Address Kim Il-song said, "It is important to give priority to the coal industry for its firm establishment. By heavily producing coal, we can solve our electricity problems and normalize production in all sectors of the people's economy including the metalworking industry." This demonstrates the increasing seriousness of the NK energy problem.

The structure of NK energy consumption is as follows: Coal, 76 percent; petroleum, 11.2 percent; and electricity, 12.8 percent. It is overwhelmingly dependent on coal, but coal production is not increasing. In its water-power system too there are elements of instability, such as the huge drop in a production of electricity during winter, the dry season. Petroleum is very poor as a substitute. Chronically short of foreign capital makes it difficult for NK to secure petroleum and coke, for which it must depend entirely on imports.

North Korean Electric Power Production Trends

Category	1988	1989	1990	1991	1992
Quantity Generated	27.98	29.17	27.74	26.7	24.7

(Unit: Billion Kwh) (Source: Board of National Unification and Bank of Korea)

Immediately after the collapse of the former Soviet Union, the amount of petroleum brought in from Russia rapidly decreased. Due to a shortage of the petroleum needed to transmit electricity to factories, the production-operation rate of oil refining, steel, and other key industries dropped by 40 to 50 percent. Thus, NK is faced with a crisis: the unavoidable contraction of its economic activity.

In 1986, the honeymoon period of the NK-Soviet relationship, NK imported 1 million tons of crude oil, but gradually decreased. What had been 500,000 tons in 1990 was drastically reduced to 42,000 tons in 1991. In

1992, a mere 30,000 tons were supplied. A main petroleum supplier of NK along with Russia, imports from China are increasing, up from 1.06 million tons in 1990 to 1.1 million tons in 1991. The per-ton unit cost, however, more than doubled, up from the friendship price of \$58 per barrel in 1990 to \$126 in 1991, approaching the international market price.

It is estimated that NK imported 1.52 million tons of crude oil in 1992, but this is much less than the amount it needs. Furthermore, China announced that beginning in 1993, it would convert what has been a barter trade using open accounts, to a system of hard-currency settlements. Totally dependent on Chinese imports for absolute quantities, the situation in NK will grow considerably worse in the future.

Trends in North Korean Import of Chinese Petroleum

Category	Unit	1989	1990	1991	1992
Import Quantity	Thousand Tons	1,073.5	1,062.6	1,101.9	1,005.6
Unit Cost	US \$ Per Thousand Tons	60	58	126	137

Food Shortages Are Causing Rumors of Rioting

Including the former Soviet Union and even China, Czechoslovakia, Hungary, and other East European nations formerly friends of NK have moved away from barter trade, implementing a cash-settlement system. This proved to be an enormous obstacle to the solution of NK food-supply as well as petroleum-supply problems.

In its harvest of farm products, from 3.45 million tons in 1965, NK increased its output to 36 percent, producing 4.182 million tons in 1990. It also showed an increase in rice production from 1.25 million tons in 1965 to 1.932 million tons in 1990. NK has many mountainous regions, however, and excluding Hwanghae Province and some areas of South Pyongan Province, it is ill-suited for producing rice, making self-sufficiency difficult. Due to recent damage by blight and harmful insects, lack of agricultural chemicals and failure of its cultivation methods, the situation has become more difficult.

To make up for its insufficient food supply, NK is investing a considerable portion of its acquired foreign currency into the import of foodstuffs. According to the United Nations' Food and Agriculture Organization (FAO), in 1990, NK imported about 660,000 tons of grain. Through its overseas organizational network, the Korean Trade Promotion Corporation [KOTRA] came up with NK foreign trade trends deduced by calculating backwards from the trade statistics of various nations. According to this, in 1991 NK imported a total of 1.135 million tons of grain from Canada, Australia, and China (figures for Australia are from July 1990 to June 1991).

This import of grain caused by food shortages continued in 1992 also. Importing large quantities of wheat and rice from Canada, Australia, and Thailand in 1991, NK switched the source of its imports in 1992, increasing grain imports about 2.5 times and bringing it in from China. It completely discontinued imports from countries it had dealt with previously. It also increased its soybean imports from the Commonwealth of Independent States [CIS], going from 120,000 tons in 1991 to about 200,000 tons in 1992.

NK allotted 10 million tons as its 1992 grain-production target, but was actually unable to produce even 5 million tons. NK's 1992 total grain production was 4.27 million tons, down by 3.6 percent from 4.43 million tons in 1991. It is estimated that of this amount, rice made up 35 percent at 1.53 million tons, corn made up 50 percent at 2.11 million tons and other grains amounted to 630,000 tons. At 1.53 million tons, 1992's rice production was down by 110,000 tons compared to 1991's figures. The reasons for this are a reduction in rice-cultivation area by 13,000 hectares and the appearance and spread of the rice weevil. Only appearing in some areas of the western coast of Hwanghae province in 1988, the rice weevil spread to Wansan in 1991 and to the vicinity of Sinpo on the 40th parallel in 1992 (240,000 hectares effected). NK's inability to control the pests because of its lack of agricultural chemicals is pointed out as the greatest cause of this. Unable to meet its minimum requirement of 6.5 million tons, NK must depend on imports to make up for the amount of food it cannot produce. This is problematic due to its lack of foreign currency, however, and though it would like to get free aid, it has no way of doing this.

North Korea's 1992 Grain Production (Estimated)

Category	Total	Rice	Corn	Beans	Potatoes	Grains	Other
Cultivated Area(1,000ha)	1,588	570	618	200	100	50	50
Harvest (kg) Per ha	2,688	2,686	3,417	1,092	3,116	1,138	767
Amount Produced	4,268	1,531	2,112	218	312	57	38
	(4,427)	(1,641)	(2,120)	(207)	(373)	(48)	(38)

(Source: Rural Development Administration) *Figures in parentheses are 1991 production amounts.

Following this, the "two-meals-a-day movement" is spreading in NK. Workers are supplied 700 grams per day in food rations; the jobless elderly and housewives get 300 grams. Even this is not supplied all at once, but is given in three monthly installments. Corn makes up over half of what is given. Even portions of this are

returned to the government under the names "Patriotic Rice" and "Revolutionary Support for Others." Thus, the actual amount supplied is even less than the above figures. It is to the extent that the "two-meals-a-day movement" is spreading in some regions.

These NK food shortages are predicted to grow more severe in 1993. If we estimate the amount needed for

1993 at 6.5 million tons, then, based on 1992 production figures, NK is short over 2 million tons of grain annually. Although its 1992 foreign-grain import plan called for 1.4 million tons, only 830,000 tons were obtained. It is predicted that, despite varied NK efforts to increase production of foodstuffs, it will experience serious food shortages this year as well. Thus, while emphasizing a more austere lifestyle internally, such as forcing residents to only eat two meals per day, NK is setting up various measures to increase food production.

In particular, the lack of foreign capital due to energy and sluggish foreign trade, along with NK's poor natural environment, sets a fixed limit on how much NK agriculture can be fundamentally improved. It also makes it more difficult to import foodstuffs.

5. Future of North Korean Economy and Its Policy of External Openness

As was seen in the above examination of the NK economic reality and the structural problems behind its economic troubles, without a new breakthrough, economic recovery is almost impossible due to the internal contradictions of the NK system, external conditions, and international isolation. This is the only evaluation possible.

NK is faced with an urgent situation. As a means of breaking through its economic crisis, it has no choice but to attempt economic restoration through a "Policy of External Openness," introducing foreign capital and attracting western investment.

Thus, whether or not the NK system collapses depends on the success of this "Policy of External Openness." However, more than a matter of simple economic logic, this deals with overall problems, such as the "power succession of the Kim Il-song-Kim Chong-il system" and the danger that the system might collapse after opening to the outside world. This is because, although it may appear as a reasonable policy to western eyes, when viewed from a NK perspective, it requires decisions at the government level to preserve the system and measures to prevent its collapse. Thus, there must be limits to this openness policy.

NK clearly perceives that an openness policy is unavoidable. This writer believes that the NK authorities are working hard to achieve this, viewing it as an unavoidable choice for the preservation of their system because of the deepening economic crisis.

Although an openness policy is fundamentally a plan to break through the economic crisis, as it is actually being adopted in order to preserve the system, it differs from similar policies of the Soviet Union and Eastern Europe. This policy is being chosen primarily to preserve the system and, secondarily, to solve the economic crisis. We can see, therefore, many differences between it and the policies of the other northern areas, i.e. Russia, China, etc.

The Soviet Union, Eastern Europe, China, etc. are offering preferential conditions, trying to attract foreign investment to solve their economic troubles. They are prepared for some side effects of foreign investment and have adopted a policy accepting this. In NK's case, however, because the preservation of the system is the main reason for opening up, their attraction of foreign investment is limited to sectors contributing to this goal. Furthermore, it is clear that in the event investment in a given sector might exert a negative influence on the preservation of the system, NK will not accept it.

This NK intent is also seen in systemic measures recently taken to promote foreign investment, such as changes in its Foreign Business Law, Joint Ventures Law and Joint Management Law. That is, although working hard to create favorable conditions using its Free-Trade Region Law and Joint Ventures Law, many problematic items still exist in its Joint Management Law. This is clearly seen in the fact that it is not even up to the standards of China's Joint Ventures Law. More than any other, a point not be overlooked, is that rather than being directed toward SK business, NK attempts at attracting foreign investment are directed mainly toward Japan, the West, Taiwan, etc.

Our Response

When viewed this way, NK's openness policy promotes the attraction of foreign investment as a subordinate method for the preservation of its system. Therefore, it will be restricted and limited to a partial opening rather than a full opening.

Thus, the direction of NK liberalization will imitate a Chinese-style openness policy, but its range will be extremely limited. As for the form liberalization will take, its main framework will be the attraction of foreign investment, etc., limited to areas presenting no problem to the preservation of the system, areas of "on-commission processing" in which it is easy to acquire foreign currency, that is, the joint-venture sector and free-trade regions. Also, even though joint ventures and joint management take place, liberalization will be of a mainly regional and partial character, centered around specified areas in which labor and the side effects of liberalization can be readily controlled.

The only way NK can break through its economic situation and economic crisis is to adopt a "policy of external openness." As was mentioned above concerning this policy, due to its limitation of being primarily for the preservation of the NK system, this unavoidable openness policy will of necessity be only partial and restricted.

When viewed this way, we are presented with a choice: do we sit idly and let the NK system collapse or, considering that a NK collapse itself would be disadvantageous to us, do we provide support so that the NK openness policy can succeed in order to bring about a gradual unification?

In conclusion, it is difficult for us to adopt a policy of standing idly while the North collapses. This is because there is a danger that if NK authorities feel the system is in danger of collapsing due to the economic crisis, they might "incite a war" to prevent this and because of the concern that, as was experienced in Eastern Europe and between East and West Germany, a NK economic collapse would be a burden fatal to us as well. Therefore, we

must approach NK from a direction supportive of its liberalization and this support must promote a gradual transformation. To achieve this, the nuclear issue must be solved soon; there needs to be closer economic cooperation between North and South; and the South needs to take up a more transformational posture, adopting a supportive concept, rather than one requiring mutuality.

Burma

U.S. Senate Delegation Arrives in Rangoon

*BK0812145893 Rangoon Radio Burma in Burmese
1330 GMT 8 Dec 93*

[Text] A 15-member United States Senate delegation led by Senators Thad Cochran, Hank Brown, and Larry Pressler arrived in Yangon [Rangoon] today by a special U.S. military aircraft.

The U.S. Senate delegation was welcomed at Yangon airport by U Lu Maw, deputy director general of protocol department, Mr. Franklin P. Huddle Jr., charge d'affaires of the U.S. Embassy, and responsible personnel.

Senator Thad Cochran and party toured Yangon by car and later visited the Shwedagon Pagoda. U Ohn Gyaw, minister of foreign affairs, hosted a dinner in honor of the guests at the Karawein Hall in the evening.

Received by Khin Nyunt 9 Dec

*BK0912143693 Rangoon Radio Burma in Burmese
1330 GMT 8 Dec 93*

[Text] Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council, received visiting U.S. Senate delegation led by Senators Thad Cochran, Hank Brown, and Larry Pressler at the Defense Ministry's Dagon House at 0800 this morning.

Present at the occasion were U Ohn Gyaw, minister of foreign affairs, Thura U Aung Htet, director general of Protocol Department, and Franklin P. Huddle Jr., charge d'affaires of the U.S. Embassy.

Meets Minister Abel, Departs

*BK0912145293 Rangoon Radio Burma in Burmese
1330 GMT 9 Dec 93*

[Text] Brigadier General Abel, minister of national planning and economic development, received a visiting U.S. Senate delegation led by Senator Thad Cochran at the Foreign Investment Commission office at 653 Merchant Street, Yangon [Rangoon], at 0900 this morning. At the meeting, Brig. Gen. Abel answered queries raised by the U.S. senators concerning Myanmar's [Burma] economic development.

The U.S. delegation, accompanied by responsible personnel, left Yangon at 1030 by a special U.S. military aircraft, visited Pagan-Nyaung-U and later returned to Yangon.

The visiting U.S. Senate delegation led by Senator Thad Cochran then left Yangon by a special U.S. military aircraft in the evening. They were seen off at Yangon airport by U Lu Maw, deputy director general of Protocol Department, and responsible personnel.

Delegation Returns From U.S. Conference

*BK0812145693 Rangoon Radio Burma in Burmese
1330 GMT 8 Dec 93*

[Text] A Myanmar [Burmese] delegation led by Finance and Revenue Minister Brigadier General Win Tin returned to Yangon [Rangoon] via Singapore today afternoon after attending the Southeast Asia Economic Development Review Conference held in Washington from 29 November.

The delegation was welcomed at Yangon airport by National Planning and Economic Development Minister Brig. Gen. Abel, Prime Minister's Office Minister Brig. Gen. Lun Maung, departmental heads from the State Law and Order Restoration Council Office, Defense Ministry, Finance and Revenue Ministry, and Foreign Ministry, senior military officials, responsible personnel, and relatives.

BBC Interviews NGCUB's U Sein Win

*BK0912122593 London BBC in Burmese to Burma
1345 GMT 8 Dec 93*

[BBC "special interview" with U Sein Win, prime minister of the National Coalition Government of the Union of Burma, currently in the U.S., by unidentified correspondent from the "Current International Affairs Program;" date not given—recorded]

[Text] [BBC] What is the major objective of your current visit to the U.S., U Sein Win?

[U Sein Win] We have come this year with the major objective of assisting in passing a resolution on Burma at the UN. However, while here, we plan to inform the U.S. Government about the true situation in Burma and to appeal for help for the democratic movements.

[BBC] What kind of resolution on Burma has been passed by the UN General Assembly?

[U Sein Win] The resolution is based on last year's resolution which stated that there has not been much change in Burma. This point was noted and a more decisive resolution was passed. For instance, they mentioned releasing all political prisoners, including Daw Aung San Suu Kyi, and implementing the election results as pledged repeatedly by them to the public in accordance with their wishes.

This year's resolution contains two important points—the first being the reference to SLORC's [State Law and Order Restoration Council] National Convention, and the second being the seeking of assistance from the UN secretary general for the resolution. We view these points as something different.

[BBC] How did they refer to the National Convention?

[U Sein Win] In referring to the National Convention, the UN said: 1. The National Convention was called to lay down the guidelines—basic elements—[three preceding

words in English] of the constitution. However, the majority of the people's representatives elected in the 1990 elections were excluded from the convention. Moreover, they expressed concern about the point that the military is to play a leading role in the future national politics of Burma. Another point in the resolution is that the National Convention will not be able to carry out the wishes of the people.

The people expressed their wishes in the 1990 elections for a freely elected civilian government [two preceding words in English]. The resolution expressed regret and concern that the National Convention will not be able to carry out these wishes.

[BBC] With whom have you met from the U.S. Government and what did you discuss?

[U Sein Win] We met with senior officials from the State Department.

[BBC] We learned that you had met with Peter Tarnoff.

[U Sein Win] Yes, we met him.

[BBC] What position does he take?

[U Sein Wihn] He was the undersecretary of state at the time of our meeting. During the meeting we expressed our view that it was very heartening to know that the entire world had unanimously expressed through the UN resolution its displeasure and nonsupport for the topsy-turvy situation in Burma marked by a lack of human rights and democracy. The U.S. held the same view and expressed its view on the National Convention. It holds the view that the National Convention being held in Burma has no meaning and that it will not be able to bring about democracy and human rights and implement the wishes of the people. The U.S. said it will not accept the outcome of the National Convention.

[BBC] Did you get a pledge of assistance from the U.S. Government?

[U Sein Win] The U.S. Government expressed its sympathy for the movement for democracy and restoration of democracy in Burma and the desire to help the people of Burma. We do not know the exact nature of the assistance because the U.S. policy toward Burma is under review. It will soon be completed and by then we will be able to find out more about the details of the assistance.

[BBC] Yes. We have learned that U Thein U, justice minister of your coalition government, has said that the DAB [Democratic Alliance of Burma] will send an advance delegation in response to an invitation by Lieutenant General Khin Nyunt to hold peace talks.

[U Sein Win] We are still following up on this news—news about the recent DAB conference and developments. As we have not received a full report on these matters, we would not like to comment at the moment.

[BBC] We would like to know whether you personally have the desire to hold successful talks with the SLORC [State Law and Order Restoration Council] government?

[U Sein Win] As mentioned on previous occasions, our desire is not to keep the door shut for peace; we always keep our door open. However, our stand says: Come forward if you want peace, but do not say we will meet with this person and not the other person. This kind of action will not bring about genuine peace and resolve the problems of Burma. This is our view. They must talk to the democratic forces, especially Daw Aung San Suu Kyi, who is the leader of the party which won the 1990 elections. They must talk with the democratic forces as well as the armed indigenous groups. At such time they must talk to all. They must hold talks and implement the outcome of the 1990 elections.

[BBC] If the SLORC says it will hold talks with the DAB, but insists Daw Aung San Suu Kyi must not be included, what will be your view?

[U Sein Win] As mentioned earlier, our view is that the talks must be held with all parties if the problems of peace and democracy and other issues are to be resolved. They must meet with all. Our view is that it will be wrong for them to insist they will not hold talks with Daw Aung San Suu Kyi, but only with this person and that party. Especially if they do not hold talks with the leader of the NLD [National League for Democracy], which won the 1990 elections, and its leader, Daw Aung San Suu Kyi, and the other democratic forces, Burma's problems will not be solved.

Opposition Seeks 'Formal Invitation' to Talks

*BK1012023593 Bangkok BANGKOK POST in English
10 Dec 93 p 8*

[Unattributed report: "Burma Rebels Seek Formal Invitation to Talks"]

[Text] Burma's largest rebel group said yesterday that plans to hold peace negotiations with the country's military rulers to end nearly half a century of fighting were moving forward and talks could begin soon.

Em Martha, spokesman for the Karen National Union (KNU) said the ruling State Law and Order Restoration Council (SLORC) had received a letter from the rebel umbrella organisation, the Democratic Alliance of Burma (DAB) seeking a formal invitation to begin talks.

"SLORC has received our letter and we hope that they will reply soon, because we really want to go to this peace talk," Em Martha said in a telephone interview. A copy of the letter, signed by Karen leader General Saw Bo Mya as chairman of the DAB, was obtained by REUTERS yesterday.

It said speeches made by SLORC's Lieutenant-General Khin Nyunt in November had "indicated a desire to

hold negotiation with jungle-based armed organisations for establishment of peace and development of the country".

The powerful Khin Nyunt, secretary of SLORC and Burma's intelligence chief, has in the past two months travelled to troubled states offering peace talks to a dozen rebel minority groups.

"At this point we do not demand anything. We want them to answer officially," Em Martha said. "Then we can begin."

The letter asks SLORC "to make a response for a clearer understanding of its position".

Earlier, the Karen, a Christian ethnic minority group, had demanded that peace talks be held outside of Burma and that democracy advocate Aung San Suu Kyi, a Nobel Peace Prize winner, be released from house arrest.

A Bangkok-based observer of Burmese affairs said it was a good time for peace talks because both SLORC and the rebels were under pressure to end their war.

"SLORC is under pressure from the US and the West to bring about democracy, otherwise they are facing UN sanctions, while the rebels, especially the Karen, have no place to go after the Thai military withdrew their support," he said.

The Thai military had until recently turned a blind eye to rebel activities on Thai soil. But last month it ordered tough action against any ethnic rebels that use its territory as a springboard for anti-Rangoon activities.

The military took over Burma in 1988 killing hundreds and perhaps thousands of pro-democracy demonstrators. The junta unilaterally suspended attacks against the rebels in April and offered peace talks.

Many of the rebel groups have been fighting for autonomy from Rangoon virtually from the time Burma won its independence from British colonial rule in 1948.

Khin Nyunt Receives Shan Special Region Party

*BK0812143093 Rangoon Radio Burma in Burmese
1330 GMT 8 Dec 93*

[Text] Lieutenant General Khin Nyunt, chairman of the Work Committee for the Development of Border Areas and National Races and secretary-1 of the State Law and Order Restoration Council [SLORC], received Shan nationals leader (U Sai Nong) and party of Shan State Special Region No. 3 at the Defense Ministry's guest house on Inya Road in Yangon [Rangoon] at 1530 today.

Also present at the meeting were Lt. Gen. Maung Thint, minister of development of border areas and national races, Colonel Kyaw Win, deputy director from the Directorate of Defense Services Intelligence, Lieutenant Colonel Pe Nyein, director general of SLORC office, and responsible personnel.

At the meeting, talks were held on regional development, education, health, agriculture, and livestock breeding matters. Lt. Gen. Khin Nyunt and Lt. Gen. Maung Thint also gave necessary guidance and assistance on these matters. The secretary-1 next explained the need to improve regional security, unity among local nationalities, agriculture, livestock breeding, and regional development. The meeting concluded at 1700.

Rail Equipment Sale Accord Signed With Yunnan

*BK0812082093 Rangoon Radio Burma in Burmese
0130 GMT 8 Dec 93*

[Text] Myanmar [Burma] Railways, under the Ministry of Rail Transport, and the PRC's Yunnan Machinery Import and Export Corporation signed the fourth purchase agreement yesterday morning at Conference Room No. 1 at the Myanmar Railways Headquarters.

Under the agreement, passenger coaches with brakes, cargo coaches with brakes, passenger bogies, vehicle carriers, container carriers, cranes, and ordinary class railway coaches, worth U.S. \$5 million, will be purchased under a loan. The loan is to be paid back in interest-free installments after a grace period of five years.

Malaysia

Accord To Buy Fighter Jets Signed With U.S.

BK1012083093 Kuala Lumpur Voice of Malaysia in English 0600 GMT 10 Dec 93

[Text] Malaysia and the United States have signed a foreign military sales agreement for Malaysia to purchase eight McDonnell Douglas F/A-18B Hornet jet fighters. The agreement includes the aircraft, thrust auxillary equipment, support equipment, spares, training of air and ground crews, and maintenance training safety devices.

The signing of the letter of offer and acceptance took place during the ceremony at the Langkawi International Maritime and Aerospace exhibition. Under the agreement, McDonnell Douglas will deliver the Malaysian Hornets to the U.S. Navy starting in October 1996. The navy in turn will deliver the aircraft to the Royal Malaysian Air Force.

Malaysian Government officials and McDonnell Douglas executives had previously signed an industrial cooperation agreement on October 28th that will further develop the local aerospace industry.

Malaysia is the first nation in Southeast Asia to purchase the F/A-18. Manufacture and delivery of the eighty hornets will take place at McDonnell Douglas plant in St. Louis, U.S.A.

Mahathir Meets Cambodia's Prince Ranariddh
BK1012075593 Kuala Lumpur BERNAMA in English
0726 GMT 10 Dec 93

[Text] Langkawi Island, (Malaysia) Dec. 10 (OANA-BERNAMA)—Cambodia's first prime minister, Prince Norodom Ranariddh, Friday called on Malaysian Premier Dr. Mahathir Mohamed here.

The meeting took place at the Mabsuri International Exhibition Centre, the main exhibition venue of the Langkawi International Maritime and Aerospace Exhibition (LIMA '93) at the airport here.

A spokesman from the Prime Minister's Office said the 30-minute discussions centred on assistance needed by the war-torn country following the successful general election under United Nations supervision which paved the way for peace.

The Cambodian leader also expressed his appreciation for Malaysia's participation in the UN peace process in his country, especially by members of Malaysian security forces, the spokesman added.

He said Malaysia was willing to offer assistance in various fields, including redeveloping Cambodia's agriculture, gas and oil exploration, and training of technical personnel.

Prince Ranariddh, who is here to visit the show, and Second Prime Minister Hun Sen were both scheduled to make an official visit to the country next year.

The six-day LIMA '93 exhibition, which enters its fourth day today, attracted a total of 375 companies from 23 countries.

Ranariddh on Peace Talks Date

BK1012090093 Hong Kong AFP in English 0659 GMT 10 Dec 93

[Text] LANGKAWI, Malaysia, Dec 10 (AFP)—Prince Norodom Ranariddh, Cambodia's co-prime minister, said Friday he was still willing to hold peace talks with the Khmer Rouge [KR] in a last-ditch effort for national reconciliation to avert war.

"I am ready, but it is up to Khieu Samphan to fix the time and a new date," Ranariddh said after holding talks with Malaysian Prime Minister Mahathir Mohamed.

Ranariddh is here on Mahathir's invitation to attend the six-day Langkawi International Maritime and Aerospace exposition (LIMA) held at this northern island resort.

"They (Khmer Rouge) have asked me to meet them on December 8, 9, 10 but I told them I would not be available as I would have to be here. Anyway I would prefer to hold talks with Doctor Mahathir than to talk to Khieu Samphan," he said.

The talks, according to official sources, were to have been held at a military airport in Bangkok.

"I will leave it to Khieu Samphan to fix a new date," Ranariddh said.

In Phnom Penh, diplomats said Ranariddh may stop over in Bangkok to meet the Khmer Rouge's nominal chief while en route to see his father, King Norodom Sihanouk, who is recovering from cancer surgery in Beijing.

The Cambodian senior leader said he had told Mahathir that he was ready to meet the Khmer Rouge leader "to find a common ground" and convince them to agree to an immediate ceasefire.

"Who can be as flexible as that?" he asked.

"We have proposed to (bring) Khmer Rouge armies into the Royal armed forces but we want them to surrender all so-called autonomous zones under their control to the central government," he told reporters while touring military ware on display at the LIMA.

"It is not acceptable that any Cambodian group should take any part of our territory in this manner," Ranariddh said.

Ranariddh said King Sihanouk had also offered to allow the Khmer Rouge to hold senior posts in the ruling coalition, such as advisers to the government or to the king himself under a peace plan issued last month.

The ruling coalition was formed after United Nations-supervised elections held in May.

"We could even appoint them as undersecretaries of state. That is possible, but not ministers or secretaries of state as the Constitution prohibits any group which does not have any representation in the National Assembly to hold such posts," he said.

Ranariddh declined comment on whether the government was likely to launch military offensives against the guerrilla faction if talks failed.

"What we want to achieve is national reconciliation without which we can't proceed with development and reconstruction of our country," Ranariddh said.

Cambodia's other co-premier, Hun Sen, had recently threatened a general mobilisation of the army to fight the guerillas if they failed to break the impasse.

Ranariddh's willingness to talk followed recent increased fighting and troop movements in northern Cambodia which reportedly left at least two government soldiers dead and hundreds of refugees displaced.

Cambodian officials had not been optimistic of a breakthrough, but Ranariddh said resolving problems through such peace talks was preferred to fighting.

Asked to comment on recent remarks by a senior Khmer Rouge official that the radical faction wanted peace but did not want to "go in blindly" and that it needed "a stick before entering the tiger's cage," Ranariddh said:

"I am not asking anybody to come in blindly. Our officers can talk to them and resort to technical integration."

"But we are not tigers. We are the legally elected representatives of the country. They do not have to worry about us," Ranariddh said.

"In fact, they are the tigers themselves. They have to go out from the forest and be part of the community," he said.

Purchase of Russian Jets Said Not Mistake

*BK0912093093 Kuala Lumpur BERNAMA in English
0458 GMT 9 Dec 93*

[Text] Langkawi Island, (Malaysia) Dec. 9 (OANA-BERNAMA)—Malaysian Prime Minister Dr. Mahathir Mohamed said Thursday, he did not think that the government made a mistake by choosing the Russian Mig-29 superfighter for the Royal Malaysian Air Force (RMAF).

Judging from its performance at the Langkawi International Maritime and Aerospace (LIMA) Exhibition 1993 in this north-western island off peninsular Malaysia, he said the four Mig-29s put up an impressive show.

They put up a great show... So we think we have not made a mistake by choosing the Mig-29, he added.

The Mig-29, which will feature prominently in Malaysia's air defence system, has been hogging the limelight in the aerial and static display despite the presence of the sophisticated American F/A-18 Hornet jetfighter, which was also being acquired for the RMAF.

Dr Mahathir was speaking to reporters after meeting a high-level Russian delegation led by its First Deputy Foreign Minister Ivan Materov and the Commander-in-Chief of the Russian Air Force Peotz Deynekin.

Aerospace Cooperation With Indonesia Viewed

*BK1012112493 Kuala Lumpur BERNAMA in English
1032 GMT 10 Dec 93*

[Text] Langkawi Island, Dec 10 (OANA-BERNAMA)—Malaysia and Indonesia will upgrade cooperation in implementing aerospace programmes which may be expanded to include other ASEAN countries, Prime Minister Dr. Mahathir said Friday.

He said that initially Malaysia would concentrate on developing the light aircraft industry while Indonesia would focus on the big aircraft sector; such cooperation could be further upgraded in future in line with developments in the aerospace industry and at the same time similar bilateral cooperation could be embarked with other ASEAN countries, he added.

Dr. Mahathir was speaking to Indonesian reporters who accompanied Indonesian State Minister for Research, Science and Technology Dr. B.J. Habibie who called on

him after visiting the Langkawi International Maritime and Aerospace (LIMA '93) exhibition here.

Habibie, who arrived from Jakarta Friday morning, left for home Friday afternoon.

Responding to a question, Dr. Mahathir expressed confidence that the aerospace industry in the region would be a success due to, among other things, the need for improved air transport services by its huge population.

Anwar on Incentives for Aerospace Industry

*BK1012045993 Kuala Lumpur BERNAMA in English
0418 GMT 10 Dec 93*

[Text] Langkawi Island, (Malaysia) Dec. 1 (OANA-BERNAMA)—The Malaysian treasury is considering incentives for the aerospace industry to encourage its growth, Deputy Prime Minister Anwar Ibrahim said Friday.

Anwar, who is also finance minister, said related facilities and reduced taxes were among several aspects identified.

He was speaking to reporters during a visit to the Langkawi International Maritime and Aerospace exhibition (LIMA '93) at the Mahsuri International Exhibition Centre (MIEC) here.

Prime Minister Dr. Mahathir Mohamed said when opening the exhibition last Tuesday that the Malaysian aerospace industry was poised to grow with the manufacture of three types of aircraft—the Eagle XT-S light aircraft, MD-3 trainer to be built by Swiss Aerospace and the German-designed Dornier Seastar amphibious aircraft.

Anwar said foreign companies and individuals have hailed Lima '93 as an outstanding achievement by the country.

Singapore

Country 'Top ASEAN Investor' in SRV

BK0912131093 Singapore THE STRAITS TIMES in English 9 Dec 93 p 36

[Text] Singapore is the top ASEAN investor in Vietnam with a total cumulative investment of U.S.\$314.64 million in 50 projects to date. This also makes it the seventh largest foreign investor in the country.

Disclosing these figures yesterday, Mr. Bui Huy Hung, director of Vietnam's State Committee for Co-operation and Investment Office, said Singapore investors have so far focused on industrial, hotel, and tourism projects.

More than half of the Singapore investments, or U.S.\$172.32 million worth, were in hotel and tourism projects.

This was followed by investments in industries (U.S.\$70.25 million), and oil and gas (U.S. \$22 million).

Mr. Bui said two significant projects were a U.S.\$21.75 million joint-venture in a steel-rolling mill by NatSteel and a U.S.\$50 million joint-venture hotel by PID Investment Pte Ltd, a subsidiary of Pidemco Land.

He said most of the Singaporean projects were in the process of being implemented, despite the long time taken by some investors for talks and the "long" bureaucratic procedures there.

Mr. Bui was speaking to about 360 people at a seminar on business opportunities in Vietnam organised by the Trade Development Board [TDB] and the Singapore Manufacturers Association.

In his speech, the TDB chairman, Mr. Alan Yeo, urged Singapore firms to be more quick and alert in spotting good investment opportunities.

Giving reasons why some foreign projects did not succeed in Vietnam, he said about 70 percent of the failures were in small projects where the joint-venture partners did not understand the country's laws and regulations, made inadequate preparations, or lacked experience.

In some cases, the foreign investors did not have enough capital to implement the project, and were merely acting as middlemen.

Looking ahead, he said that some major areas in which Vietnam hoped to attract direct foreign investments included oil and gas exploration, mining, and export-oriented industries.

The biggest overall investor in Vietnam is Taiwan which has committed more than U.S.\$1.5 billion in 110 projects there.

Besides Singapore, other ASEAN investors include Malaysia with U.S.\$187.90 million in 22 projects, Thailand with U.S.\$135.50 million in 42 projects, Indonesia with U.S.\$118.47 million in 11 projects, and the Philippines with U.S.\$59.10 million in 11 projects.

Naval Exercise With French Navy Ends

BK0912122093 Singapore Singapore Broadcasting Corporation in English 1100 GMT 9 Dec 93

[Text] The Republic of Singapore Navy has ended a passage exercise with the French Navy in the Straits of Malacca. The two-day exercise was to promote understanding of each navy's operating procedures and to enhance their defense relations. The French Navy will be leaving Singapore next Monday.

Cambodia

PDK Denies Khmer Rouge Smuggled Arms in Thailand

BK1012012893 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 9 Dec 93

[“Denial by the Party of Democratic Kampuchea spokesman concerning reports that Democratic Kampuchea's men smuggled arms in territory of the Kingdom of Thailand;” dated 9 December—read by announcer]

[Text] 1. During the past few days, there were reports that Democratic Kampuchea's men smuggled five tons of arms in the territory of the Kingdom of Thailand.

2. The Party of Democratic Kampuchea [PDK] rejects the above reports.

3. The PDK has, all along, correctly and thoroughly respected the sovereignty of the Kingdom of Thailand and the Thai people along the border areas from Koh Kong to the triangular border at Choam Khsan and has never harmed Thai people. On the contrary, the PDK has always respected and felt deeply thankful to the Kingdom of Thailand, which has always sided with justice and peace and has helped Cambodia and the Cambodian people to achieve peace, the right to self-determination, and national reconciliation so that they can build and make Cambodia a prosperous neighboring country.

4. The PDK would like to stress that the Cambodians who claimed to be Khmer Rouge who smuggled arms inside the Kingdom of Thailand are not PDK men. This is because real PDK members will never commit such breaches that run counter to the correct policy of the PDK.

[Dated] 9 December 1993

[Signed] The PDK spokesman

KRAF Reports 30 Nov-3 Dec Military Situation

BK0812114593 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1200 GMT 7 Dec 93

[Text] A report of the Third Department of the Khmer Royal Armed Forces [KRAF] General Staff says that from 29 November to 3 December the Army of Democratic Kampuchea [ADK] continued its military activities by attacking our KRAF positions and robbing and killing our people. The most salient of these activities took place in Siem Reap-Oddar Meanchey, Battambang, Kompong Thom, and Kratie Provinces.

On 1 December, the ADK launched attacks on our KRAF positions in Siem Reap-Oddar Meanchey Province. They attacked our positions in Chongkal and Srei Snam Districts and the O Chik bridge in Srei Snam District but were immediately repulsed by our KRAF.

On 30 November, some 30 ADK troops attacked our KRAF position in Kon Kriel commune 11 km northeast of the Samraong District seat. They also burned down a rice husker, a saw mill, and three houses and robbed our people of four motorcycles, three bikes, and a large quantity of equipment. Before pulling out, they blew up a bridge. In Damdek commune, Sot Nikom District, the ADK took away two persons from Neak Poan village, shot them dead, and blew up a bridge northwest of Damdek.

In Bavel District, Battambang Province, the ADK fired barrages of 10-20 and sometimes 50 H-107, DK-82, 82-mm mortar, and 60-mm mortar shells at the positions of the 6th Division.

On 2 December the ADK attacked our position in the north of Stoung District, Kompong Thom Province. Our KRAF repulsed the attack.

In Kratie Province, the ADK took away and shot dead three villagers who were net-fishing in Chrouy Banteay commune, Prek Prasap District. A young boy who was also taken away was later found wounded and the wives of the victims were told to pay a ransom for the bodies of their husbands.

Also last week, Ponhea Krek District, Kompong Cham Province, welcomed back to the national fold 61 officers and men who defected from the ADK's Division 920, bringing with them 61 firearms.

Indonesia

Suharto Urges Israel, PLO To Respect Agreement
BK0912122493 Jakarta ANTARA in English 1021 GMT 9 Dec 93

[Text] Jakarta, Dec. 09 (OANA-ANTARA)—President Suharto as chairman of the Nonaligned Movement (NAM) has asked Israel and Palestine to respect the agreement they signed in Washington on September 13 on the limited self-rule of Gaza Strip and the town of Jericho in West Bank.

"Indonesia calls on all the involved parties to respect all the contents of the signed agreement, particularly to meet the agreed time limit." State Secretary Murdiono said on Thursday when announcing Indonesian position on the case. He further said the Indonesian statement is issued as the country is very concerned about the developments of the agreement's application, particularly due to the raising violence in the occupied territories. He said those violences could damage all the ongoing peace process.

Especially for Israel, the Indonesian president calls on them to keep their promises, including pulling out their forces from Gaza Strip and the West Bank's town of Jericho to pave the way for the ongoing Middle East negotiations.

Trade Minister on Ramifications of GATT Failure
BK0912123293 Jakarta ANTARA in English 1019 GMT 9 Dec 93

[Text] Jakarta, Dec. 09 (OANA-ANTARA)—Indonesia will face difficulties in bilateral trading unless the General Agreement on Tariffs and Trade (GATT) meeting on December 15 reaches an agreement, Minister for Trade Satrio Budiarjo Yudono said on Wednesday.

"Developing countries have often been forced into a corner by protectionistic moves of the industrialised nations," he told the press after a hearing with the House 7th Commission. He said Indonesia should continue improving its trade system even if the GATT meeting ends inconclusively.

In the last few years, efforts by the government to increase the country's non-oil exports were being pressed down by the developed countries who are also Indonesia's trading partners, he said.

"Therefore, the most likely scenario is that Indonesia's non-oil markets would be even more inaccessible," he added.

The minister said the world would like to see the successful conclusion of the GATT meeting so as to create an honest and fair trading world.

"If the Uruguay round of trade talks are accepted, the agreement will be signed next April and members will have to enforce the agreement a year later," he said.

Satrio also said that a successful GATT meeting would open up more markets in the world.

"It will make it tougher for developing countries to market their products to the developed nations," he said.

He noted that the advanced countries were also embroiled in stiff competition for their high technology goods as well as primary products and service industry.

"For this reason, Indonesia's businesses must strive for efficiency to increase their competitive edge and apply the international quality control standard ISO 9000 to their products as soon as possible if they wish to maintain and expand their markets," he said.

Talks With Malaysia on Disputed Islands Deferred

BK0812142793 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 8 dec 93

[Text] The talks between Indonesia and Malaysia on the disputed Sipadan and Ligitan islands scheduled for December 1993 has been deferred to either January or early February 1994. Indonesia does not have any presumptions that Malaysia is playing for time. In fact, Malaysia is truly not ready yet. Foreign Minister Ali Alatas said this in Jakarta today when asked by a

Parliamentary Commission I member during a hearing on Malaysia's statement to postpone the talks on the disputed islands.

As already agreed during President Suharto's meeting with Malaysia's Prime Minister Mahathir Mohamed in Langkawi, Kuala Lumpur [as heard], on 16-18 July this year, the two countries will meet only after the exchange of documents has been completed. In connection with this, Malaysia has said that it can only meet next year.

According to Ali Alatas, the talks held by the two countries have only reached the level of stating one another's stand, backed up by arguments and supporting documents to defeat the other's claim.

On Indonesia's attitude, Ali Alatas said the country would definitely be consistent because Sipadan and Ligitan islands issue is still negotiable and they are not Malaysia's possessions.

Armed Forces Chief Rules Out Military Coup

BK0912093893 Jakarta THE INDONESIA TIMES in English 1 Dec 93 p 1

[Excerpt] Bogor, W. Java—Indonesian Armed Forces (ABRI) Commander Gen. Feisal Tanjung here Monday stressed that ABRI will never launch a coup d'etat as it always upholds the nation above anything else. He told Christian Association of Intellectuals (PIKI) that Indonesia history is full of proven track records of ABRI's loyalty to the national creed of Pancasila and the 1945 Constitution.

"For these reasons, I can guarantee you that ABRI's soldiers will not and will never launch coup d'etat," he said in a speech read out by ABRI's chief of staff of social and political affairs, Lt. Gen. Hariyoto P.S. He also said that all ABRI members are bound by the Sapta Marga or the seven basic principles stipulating the basic military attitudes of Indonesian soldiers.

The Sapta Marga principles, among other, rule that an ABRI soldier should always serve the state and the nation's interests. He also said that ABRI will always serve, guard, and protect the people as it gets its power from the people.

"So, it is clear that in its history, ABRI will never make itself to be in power simply because it wishes so," he added.

Gen. Tanjung underlined statements from President Suharto as the highest commander of ABRI that a soldier does not recognize a political dogma, he only knows how to serve the country and to defend national policies.

Gen. Tanjung also said that in the next second long-term development plan there will still be a few groups of people whose politics and ideologies are not in line with the Pancasila. [passage omitted]

Philippines

Foreigners Banned From Entering 'Hot Spots'

BK0812123193 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0930 GMT 8 Dec 93

[Text] Vice President Joseph Estrada has said that the government will take appropriate action to prevent kidnappings in Mindanao. One of these steps is prohibiting foreign missionaries from entering places identified as hot spots. He has also ordered the police and local officials to be on the alert to deter the abduction of foreigners.

Earlier, Charles Walton, the rescued American linguist went to Malacanang [presidential office]. Walton was presented to the president by Libyan Ambassador (Rajab Abdel Asaruk). Later, the president presented Walton to U.S. Ambassador John Negroponte. The news of Walton's release was relayed by the president to U.S. President Bill Clinton.

No ransom was paid but Estrada admitted that Sulu Congressman Bensaudi Tulawie gave the Abu Sayaf P300,000 [Philippine pesos].

Estrada has proposed banning foreign nationals from entering places identified by the military as danger zones.

Walton will head for the United States tomorrow. He will, however, return to the Philippines but not to Mindanao.

Accord on Fishing With Malaysia in Spratlys

BK1012044093 Quezon City Radio Filipinas in English 0230 GMT 10 Dec 93

[Text] Manila and Kuala Lumpur yesterday agreed to undertake joint fishing cooperation in the disputed Spratly Islands in the area that is not being claimed by four other countries.

At the close of the maiden joint ministerial meeting in Manila, Malaysia also insisted that the 120,000 illegal Filipino workers in Malaysia including those in Sabah should return to the Philippines because they cannot hope to find a permanent home there. However, Malaysian Foreign Minister Abdullah Badawi did not completely close the door and agreed to discuss the problem in informal consultations among agencies concerned from the two countries.

Also, the two sides agreed to promote cooperation in a broad range of fields, including trade, investments, fisheries, agriculture, science and technology, aircraft, tourism, and agriculture.

In his opening statement, Badawi categorically expressed his government's support for the East Asian Growth Triangle proposed by President Ramos during his visit to Kuala Lumpur last January. We are ready to share

with you our experience in the promotion and development of these growth areas in the course of the preparations to realize the East Asian growth area, he said. In a statement, the Philippine-Malaysian Joint Commission said a committee will be established to promote fisheries cooperation in the area of overlapping claims.

Foreign Secretary Roberto Romulo said this agreement on fisheries cooperation is just an example or an extension of the 1992 Manila Declaration on the South China Sea where we are resorting to dialog and friendly pursuit and resolution of certain claims. Badawi pointed out that the area where Malaysia and the Philippines will jointly cooperate is not being claimed by China, Taiwan, Vietnam, and Brunei. The Philippines acknowledged that the area is in the Kalayaan Group of islands being claimed by Manila under Presidential Decree 1596 issued in 1978.

Government-NDF Cease-Fire To Start 15 Dec

BK1012063193 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 10 Dec 93

[Text] A cease-fire between government troops and the National Democratic Front [NDF] will be implemented for the Yuletide season. This was confirmed by House Defense Committee Chairman Jose Yap in connection with the government peace initiatives.

The cease-fire will start on 15 December and will end on 15 January 1994. Yap expressed hope that both sides will respect the accord.

Meanwhile, Yap is hopeful that the second round of exploratory talks between the government and the NDF will push through in Vietnam.

[Begin Yap recording in progress in English] ... I do not have to agree with them on this. As a sign of a confidential measure of the government, and say, it's up to the military to [changes thought].... Anyway, when you say that you declare a cease-fire, it does not mean that, well, the army can still move against criminal elements. [as heard] [end recording]

Government, MNLF To Start Autonomy Talks

BK1012084693 Manila MANILA STANDARD in English 4 Dec 93 p 3

[By Merlinda Manalo]

[Text] The government and the Moro National Liberation Front (MNLF) have agreed to meet 20 December to start discussions on issues involving Muslim autonomy, following delays brought about by the kidnapping in Sulu province of American linguistic researcher Charles Walton.

Former Ambassador Manuel T. Yan, head of the government peace panel with Muslim rebels, said that the 20 December meeting will be held in Jolo, Sulu, with

MNLF Chief Nur Misuari attending the consultative meeting between government officials and MNLF representatives.

The meeting was first scheduled on 6 December, but Yan said that "supervening events" had prevented both sides from pushing through with the original schedule.

Among these events were the kidnapping two weeks ago of Walton, in which the MNLF has offered its help to the government for the victim's safe release, Yan said.

"There have been some teams from the MNLF who have gone to Jolo and who have been cooperating and working with our government negotiators in effecting a peaceful resolution of the Walton case," Yan said.

He said that since most of the MNLF representatives to the talks were in Jolo to assist in Walton's recovery, both panels had to revise their schedules on the resumption of the Mindanao talks.

Yan said he expects a representative from the Organization of Islamic Conference (OIC) to attend the first meeting of the mixed committee in Jolo on 20 December.

The mixed committee composed of representatives from the government, the MNLF and the OIC, will oversee the work of the cease-fire committee and the five other support committees which will attempt to thresh out residual issues on the implementation of the 1976 Tripoli Agreement.

The cease-fire committee, will monitor the implementation of the interim truce reached between the government and the MNLF following the conclusion of the first round of formal peace talks in Indonesia last month.

The five support committees will discuss "contentious" issues on Muslim autonomy, such as the establishment of financial and economic systems, education, administration, regional security forces and the judiciary in the autonomous Muslim region.

Yan said that after the consultative meeting of the mixed committee, the support committees can "spread out" and hold subsequent meetings either in Zamboanga City or Manila.

Yan reported on these latest developments on the peace talks with the MNLF to President Ramos in Malacanang [presidential office] yesterday.

Yan said that the president was "very satisfied" with the progress of the talks and was grateful for the assistance of the MNLF in helping resolve the Walton case.

Yan said that due to the revised schedule of the Mindanao talks, the resumption of formal peace negotiations with the MNLF scheduled on 14 February in Jakarta next year will also have to be postponed to a later date.

MILF To 'Negotiate Peace' With Government

BK1012110193 Manila PHILIPPINE DAILY INQUIRER in English 6 Dec 93 p 12

[By Charlie Senase and Nash Maulana]

[Text] Cotabato City—The Moro Islamic Liberation Front (MILF) said it would negotiate peace with the Philippine Government only after the conclusion of the negotiations with the Moro National Liberation Front (MNLF).

Hadji Murad, MILF vice chair for military affairs said the MILF will wait until the Government-MNLF talks are concluded because "we do not want to complicate the peace process at the same time present an opening for the government to capitalize (on) and back out under the pretext of disunity among the Bangsamoro people."

But Murad said he is optimistic the government would be able to "work out the means by which the Organic Act and the Philippine Constitution could jibe with the Tripoli Agreement. If this happens, it would be most welcome."

The government and the MNLF will meet in Jolo on 20 December to continue what has been discussed during the Jakarta talks. Among these is to "marry" the provisions of the Organic Act creating the Autonomous Region in Muslim Mindanao (ARMM) and the provisions of the Tripoli Agreement of 1976.

Meanwhile, Muslims working in government are asking President Ramos to give them immunity from administrative or criminal liability if they assist the MNLF in its peace talks with government.

Past administrations sacked, demoted or reassigned government workers found directly or indirectly aiding an opposition group.

"Under a democratic form of government which the present leadership espouses, government workers should be given the free will to choose," said Umba Campiao, president of the Maguindanaon Professionals and Employees Association (MAPEA), the group seeking immunity.

Hussein Ampatuan, a MAPEA member, said his wife Linda, former regional director of the Civil Service Commission in the defunct autonomous region of Central Mindanao, was dismissed from service for allegedly working for the Muslim secessionist rebels during the Marcos years.

"We are expected to be siding with the government. But suppose in the consultation we are seen or monitored helping the MNLF, what will happen to us without that immunity?" Campiao asked.

"It cannot be avoided that the MNLF will try to consult employees in government, specially those whom they believe have the expertise," the MAPEA official said.

Sen. Santanina Rasul vowed to work for ways to exempt government personnel who will be tapped by the MNLF from any liability.

Rasul, a native of Sulu and provincemate of MNLF chairman Nur Misuari, said she will bring to the president's attention the request for exemption.

Thailand**Further on Seizure of Khmer Rouge Arms Cache****Wimon Promises 'Stricter Controls'**

BK1012012793 Bangkok THE NATION in English 10 Dec 93 pp A1, A2

[Text] Army Commander-in-Chief Wimon Wongwanit yesterday promised stricter controls on arms stockpiles which were originally set up for Cambodian factions and vowed to punish officers who had allowed weapons to be smuggled out of the depots.

Gen Wimon said an Army investigation committee would summon for questioning officers guarding the warehouse in Chanthaburi's Makhamb district, from which a large quantity of weapons had been taken without authorization.

"Any movement of the arms (without authorization) is illegal. It is an offence against the Army and country," Wimon said. "Some of us (Army officers) must have erred. There must be wrongdoers or the arms would not have been taken out of the depot."

A police raid on the arms stockpile, made after they intercepted a truckload of weapons on Tuesday, gave rise to speculation that the Army had continued to support the Khmer Rouge in defiance of the government's policy of noninterference in Cambodia's internal affairs.

The Khmer Rouge has refused to yield areas under its control to the UN-sanctioned, democratically-elected government of Cambodia. The Thai Army has insisted that no arms have been shipped from Thai-based depots to any of the Cambodian factions since the signing of the Paris peace accords in 1991.

"The main point of the issue is: why did Thai authorities take action against the attempt to smuggle the weapons across the border. The answer is, we don't want to support any one Cambodian faction," Wimon said.

"Another point is the fact that we banned any transfer of weapons from the arms stockpiles proves that we have adhered to the UN-sponsored peace agreement."

Wimon said he believed Cambodians found to be at the depot must have worked for the Army's Special Warfare Division from the time when a third country had been supplying arms to the warring Cambodian factions. He was apparently referring to China, which provided the bulk of arms and military supplies for the Marxist Khmer Rouge, and some Western-countries which

covertly supplied weapons to the non-communist factions loyal to Norodom Sihanouk and Son Sann.

"We will try to find out whether they worked for us. They (the Cambodians) will be repatriated if they are no longer needed," the Army chief said. "We can explain everything. The House committee should pose any questions it has to me."

The House committee on military affairs has questioned the presence of the Cambodians at the depot.

Army sources claimed that the depot in Makham district had been manned by Army secret service officers. "But the officers, whose job requires they remain anonymous, had to leave the scene because police arrived at the depot with several journalists," one of the sources said.

Wimon acknowledged that before the 1991 Cambodian peace accord, Thailand had actively supported the three Cambodian factions fighting the then-Phnom Penh government led by Hun Sen, which was installed by Vietnam.

"If you ask me whether Thailand had in the past supported the Cambodian factions, the answer is yes," the Army chief said. "Everybody knows that. Even the present Cambodian prime ministers know. The fact is that Thailand helped all Cambodian factions to the best of our ability."

Wimon said the existence of the arms stockpiles should have been kept secret, although the Army did not mind it attracting wide publicity now it had been revealed by police. But he said he saw no need to explain it to the international community "because Thailand has never had a colonial master".

The Army has said the weapons are to be used by various units of the Thai armed forces. Sources said there were three arms stockpiles in Chanthaburi, the biggest being the one in Makham district.

Wimon made a crackdown on illegal possession of war weapons a priority when he announced his policy upon assuming the Army's top job in 1992. He mentioned that certain members of the armed forces had colluded with arms smugglers.

One of the seven alleged arms smugglers being held by police claimed that the truckload of weapons intercepted on Tuesday was destined for the Khmer Rouge headquarters in Pailin Cambodia.

The seized weapons included 103 M-120 mortar shells, 46 anti-tank M-6 rockets, 490 rocket-propelled grenades, 990 M-46 hand grenades, three M-60 machineguns that can be used as antiaircraft weapons and 90 rolls of bomb fuse.

The truck was stopped on a road in Chanthaburi's Phong Nam Rod district. The weapons were hidden under sacks of rice.

Police later on Tuesday located the huge arms cache in Makham district, including 13 large-calibre cannons, artillery shells and millions rounds of ammunition and artillery shells, after the suspects told them where the weapons came from.

On Wednesday, Prathin confirmed that the Makham stockpile belonged to the Thai military and that the weapons were reserved for border defence.

"It is not an arms cache belonging to war weapons smugglers and has nothing to do with the Khmer Rouge," he said.

Prathin said the truckload of war weapons seized on Tuesday would be returned to the military, while the seven suspects would face criminal charges.

Deputy Foreign Minister Comments

BK1012075393 Bangkok Radio Thailand Network in Thai 0530 GMT 10 Dec 93

[Text] Regarding the arsenal seizure in Chanthaburi Province, a deputy foreign minister said it demonstrated that Thailand did not condone smuggling, storing, or transport of war weapons. Deputy Foreign Minister Surin Phitsuwan said the military was in the best position to clarify the seizure.

[Begin Surin recording] I feel that the military is in the best position to clarify the matter. I said on the day of the seizure that it demonstrates that we do not condone any smuggling or activities by people who had previous contacts in Cambodia. The thorough action of the police and the military demonstrates to the people and the world that Thailand does not condone the presence of war weapons and is serious about its role.

We have done everything to bring about national reconciliation after the Paris peace agreement. We support only one government in Cambodia, that is, the government which was established in Phnom Penh after the election.

Before the Paris peace agreement, the United Nations, ASEAN, and the world supported the three Cambodian factions against the foreign presence in Cambodia. A conclusion was reached in 1991 that there would be a UN-supervised election and that all hostile activities were to cease. We stopped all activities and complied with every UN resolution.

The seizure, which took place two days ago, corresponds with our policy—which came into effect after the Paris peace agreement—of cessation of all support for any Cambodian faction except the government which came to power after the election. [end recording]

'Puzzling Questions' Remain

*BK1012013593 Bangkok THE NATION in English
10 Dec 93 pp A1, A2*

[Text] Border patrol policemen withdrew from the controversial arms warehouse in Chanthaburi yesterday, leaving behind puzzling questions—such as why many Cambodians could stay back in the "restricted area". Cambodians who were arrested when police, led by acting police chief Prathin Santipraphop, raided the secretive arms store on Tuesday have been released and some have returned to the zone the Thai army insists is its own [as published].

Prathin's team discovered the warehouse after alleged smugglers were arrested on their way to the Cambodian border, where five tonnes of weaponry were to be delivered to the Khmer Rouge. Border patrol police were deployed after the raid. But soon what was initially hailed as a "masterpiece" of work by the police became a "blunder" after Army Commander in Chief Wimon Wongwanit said the 1,500 tonnes of weaponry belonged to the military and were not the Khmer Rouge's secret cache.

What Wimon failed to explain is why Cambodians and the "smugglers" seemed to have free access to the area. In fact it was a Cambodian man who opened the warehouse door for Prathin during the raid.

Local villagers meanwhile said they have known for many years of the existence of the huge arms cache in Makham district.

"Ten-wheel trucks have come and gone," said one villager who spoke on condition of anonymity. "Sometimes there were big convoys. But I have no idea to which government unit the guys belonged."

Kamnan Chanchai Sunthon, of Makham district's tambon Tha Luang, said villagers had learned of the existence of the warehouse in 1985.

"At the time, the villagers did not know what the warehouse was, so they asked police for an inspection. Police said it belonged to the Army," Chanchai said.

The 100-rai former rubber plantation was bought by the Army and fenced off, Chanchai said.

"It is a restricted area," Chanchai said.

A villager said he was scared the cache would explode.

"The Khmers in the warehouse told me that bombs inside can destroy the whole of Chanthaburi province," he said.

Another villager said people guarding the arsenal had told him the weapons would be removed after the May general elections in Cambodia.

"But nothing has been removed," he said.

Military sources said the arms cache was established eight years ago for "the country's internal security" by an Army officer who is now a minister in the Chuan administration. At the time, the once-powerful Khmer Rouge was being heavily attacked by Vietnamese-backed troops and retreated to bases along the border. At the height of the Cambodian conflict, speculation was rife that the Thai military was using the Khmer Rouge as a "buffer" against possible Vietnamese aggression. In 1978, Vietnam invaded Cambodia and drove Khmer Rouge to western frontier with Thailand.

For fear of possible air raids by the Khmer Rouge's rivals, Bunnak Saisawang, then governor of Chanthaburi, led villagers in a protest against the stockpile but to no avail. Sources claimed that the warehouse was controlled by the recently disbanded "Unit 838", which reported directly to the Army Operational Centre.

"The Unit 838 was a powerful agency along the Thai-Cambodian border. Whatever it did, it would claim 'secret service'. No one could do anything with it," sources claimed.

Editorial Urges Clarification

*BK1012091193 Bangkok MATICHON in Thai
10 Dec 93 p 8*

[Editorial: "Seizure of Cambodian Weapons?"]

[Text] The arrest of arms smugglers that led to the seizure of a huge cache of war weapons near the Cambodian border by a police team led by the Acting Police Department director general was probably just a coincidence. The weapons were new and Chinese-made. The Khmer Rouge member that was arrested admitted that the weapons, stored about 100 km from the Cambodian border, belonged to his faction. Later, however, there was a claim that the weapons belonged to the Thai military, not the Khmer Rouge. How is this blatant incident going to be explained to the world?

Although China reportedly deserted the Khmer Rouge to force it to participate in the peace process, the latest arms seizure could fuel doubts about China discontinuing its materiel support for the Khmer Rouge. China and Thailand will have to prove their innocence to a skeptical world. The two governments should again clarify their stands regarding the Cambodian problem, in the interest of peace in Cambodia and in order to discourage the Khmer Rouge's uncooperative behavior.

As for Thailand, the controversial arms seizure shows that arms were being smuggled across the border to the Khmer Rouge. The Thai Government will have to clarify whether it participated in or condoned the smuggling, or if it was done by certain units beyond its control. The government will have to rectify the problem now that news of the seizure has spread around the world. It cannot just refuse to take responsibility.

In any event, the seizure of the arsenal could give the Thai Government a good opportunity to prove to the current Cambodian Government that it has no part in storing arms for the Khmer Rouge. The government must reiterate its stand of not supporting the Khmer Rouge, because a vague stand could cause Prince Ranariddh's Cambodian Government to take a tough position against Thai businessmen. Again, the seizure of the arsenal could send a signal to the Phnom Penh government that we desire to strengthen ties.

The government must express itself clearly and openly regarding the latest seizure. To remain silent about what will be done with the seized weapons will not improve the country's image. Regarding the Khmer Rouge, the seizure amounts to a major setback and a signal that it should rejoin the Cambodian constitutional political system rather than continuing to wage an unconventional war, as in the old days. It is hoped that China and the Thai groups that are beyond the government's control will realize that the situation has changed and exert pressure on the Khmer Rouge to rejoin the system.

Chuan Cites Dangers of Overheated Economy

*BK0912043593 Bangkok BANGKOK POST in English
9 Dec 93 p 22, 34*

[Text] Prime Minister Chuan Likphai and his deputy, Suphachai Phanitchaphak, yesterday warned that the economy may become overheated next year after a series of bullish forecasts of strong growth.

Speaking at a forum held by Thammasat University's Economic Faculty Association on "Thai Economic Outlook Next Year", Mr Chuan said growth next year would not be lower than this year's predicted rate, but the Government would not be satisfied if the rate was too high.

Thailand's economic strength was derived from many factors, including the introduction of Bangkok International Banking Facilities, the proliferation of infrastructure development projects and the promotion of income distribution by providing attractive privileges to factories moving into remote rural areas.

As a result, the number of factories this year seeking the Board of Investment's approval to set up in the provinces dramatically increased from last year. Moreover, Thailand was acclaimed by the World Health Organisation for its population control, with the birth rate dropping considerably to 1.5 percent at present. The Government's target was 1.3 percent.

Mr Chuan said the birth rate in the capital was much lower than in the provinces. The migration of provincial workers was the major factor causing overcrowding in Bangkok.

Mr Chuan pledged that the Government would monitor all aspects of development as social and environment issues were also crucial and should harmonise with

economic development. He said the advantage of having more factories in the rural zone three was that provincial people would have more work to do. But the factories must not litter or cause pollution.

The Government's policy next year, therefore, would not concentrate too much on economic development at the expense of social and environmental issues.

Deputy Prime Minister Suphachai said as a result of immense capital inflow, the Thai economy next year may become overheated and interest rates will decline further.

The Thai economy will grow not less than 8 percent next year, he said, but may become overheated due to unchecked increases in liquidity. This would affect economic stability.

Some of the biggest government projects would get off the ground and interest rates would be cut dramatically next year. The low interest rates are in accordance with the world economy. Japanese loan rates, in particular, have been cut to the alarming level of 2 percent.

Capital inflows would be buoyed next year because interest rates in other countries are still lower than the local rates. Thailand's economy will grow dramatically next year and the country is enjoying political stability.

"I am concerned that a more enormous capital inflow anticipated next year will cause speculation, particularly in the land business, as occurred four to five years ago," Dr Supachai said.

The Government wants to sustain the growth rate at 8-8.5 percent, a level possible and realistic, to maintain the country's economic stability, solve infrastructural problems and improve standards of living, said Dr. Suphachai. Preventing heavy capital inflows might be difficult but the central bank should always keep a close watch on it—whether the funds were invested directly, speculated in shares and land or arbitrage, he said.

Should most of next year's capital inflow be aimed at speculation or arbitrage, the relevant agencies, should try to prevent or correct the situation. The interest structure should also be adjusted for more flexibility and in accordance with the current situation. At present, commercial banks can adjust their rates in line with the volatile financial situation quickly enough. At the same time, foreign investors should have more access to debenture markets. The Government will also promote investment in its own large projects, including in mass transportation and airport construction, by issuing bonds to the public instead of borrowing from foreign countries and allocating funds from its budget. This will ensure that funds are distributed to productive sectors and absorb parts of the current high liquidity, he said.

Corruption Report Spotlights Interior Ministry

*BK0912045593 Bangkok THE NATION in English
9 Dec 93 p A2*

[Text] Interior Ministry officials have topped the 1993 list of civil servants allegedly involved in graft or accused of being unusually rich, according to the Counter Corruption Commission's annual report.

Among the criminal complaints brought against officials of all ministries, 87 were for alleged abuse of power, 52 for corruption, 51 for bribery, and 35 for negligence of duty causing damage to others.

Among disciplinary offences there were 305 cases of alleged misconduct 155 breaches of the Office of the Prime Minister's regulations on inventories and finance, 33 cases of misuse of power or letting others misuse power for their benefit, 30 cases of not abiding by official laws, regulations, orders and Cabinet resolutions, and 26 falsely claimed allowances.

Of a total of 1,146 complaints, the Interior Ministry had the largest number—413. The Ministry of Agriculture and Cooperatives received 171 complaints and the Education Ministry 138.

Out of 157 complaints of officials being unusually rich, the Interior Ministry had the most at 54, the Finance Ministry 29, and the Agriculture and Cooperatives Ministry 28.

The Counter Corruption Commission Secretary-General, Prasit Damrongchai, said the Interior Ministry topped the list of corruption and "unusually rich" complaints because the ministry had a large number of officials working nationwide under its authority.

Textile Exporter Discusses Future of U.S. Market

BK0912142593 Bangkok SIAM POST in Thai 9 Dec 93 p 23

[Text] Wirot Amatakunchai, president of the Thai Clothes Industry Association, said he disagreed with the U.S. wish to extend the time for discontinuing the textile quota system from 10 years in accordance with the GATT agreement and lengthening it to 15 years, reasoning that this will create problems for Thailand's textile export.

The Multifiber Arrangement, MFA, is a multilateral agreement which is regarded as a model for bilateral agreements. As a result, if discontinuation of the MFA quota system is to be delayed to 15 years, bilateral agreements, such as between Thailand and the United States, will have to be extended as well. This will cause Thailand's chance for unlimited textile exports to be stalled.

However, if necessary Thailand could comply with the U.S. wish, providing that the United States give certain compensations, which will include readjusting the quota base for each category of clothes and increasing the

annual export quota to at least 10 percent. This is because if the MFA and the U.S.-Thai agreement are extended to 15 years while the annual export expansion is limited to six percent, it would amount to limiting Thailand's exports.

Wirot said he fears that when unlimited export is achieved in 15 years, clothes will become a buyers market because importers may stop importing in order to wait for an open market and thus cheaper products. Moreover, once the market opens, imports by the United States may increase so much that local manufacturers will be affected. The United States could use this as grounds for reimposing a quota on Thai products.

To date the Thai private and public sectors do not agree with delaying the market opening to 15 years.

In ASEAN, only the Philippines has complied with the U.S. wish, while others have replied that there is no problem. As a result, the United States claims that Thailand has no objection and should comply like other ASEAN countries.

Ministry Orders Check on Copyrighted Tapes

*BK1012015993 Bangkok THE NATION in English
10 Dec 93 p B2*

[By Atchara Phongwutthitham]

[Text] Commerce Ministry has stepped up efforts to oversee the price of copyright audio and video cassettes on the local market by ordering the Internal Trade Department to survey their production cost nationwide. The order reacts to public complaints of some tape shops selling audio and video cassettes at unfair prices.

Deputy Commerce Minister Churin Laksanawisit said after the joint committee on phony tape suppression that the commerce ministry would compare the estimated video and cassette production costs with the selling prices to ascertain a fair figure.

In the past, the commerce ministry only conducted the survey in Bangkok, but it will step forward to survey provincial prices after receiving consumer complaints.

The department will have to submit the survey's results to the committee next month enabling the ministry to set the proper price for the tape and video [sentence incomplete as published].

The committee comprises representatives from the Intellectual Property Department, the associations of the tape traders and producers and the International Federation of Phonographic Industry (IFPI).

Churin said the attendants attributed different reasons for higher domestic prices of tape and video cassettes. For instance, the representatives from the Thai tape producers said the copyright holders have increased the wholesale price to the retail shops.

Peter Gan, IFPI chairman, argued that retail shops should not use last April's fixed price because it entailed a 5-percent-discount to promote copyright products.

In April, the retail shops sold the remix cassette tape at Bt[baht]46 from the normal price of Bt50, while the C-90 cassette tape was sold at Bt65 from the normal price of Bt75.

Peter added that normally the retail shops would add as much as a 30 per cent profit margin on top of the wholesale price. Some opportunistic retail shops might increase prices by themselves.

Vietnam

Deputy Prime Minister Views ASEAN Relations

*BK1012064993 Hanoi VNA in English 0641 GMT
10 Dec 93*

[Text] Hanoi VNA Dec. 10—"The Vietnam-ASEAN relation is developing along a good trend of further understanding and cooperation with each other in many respects", said Deputy Prime Minister [P.M.] Tran Duc Luong, who attended the 3rd International Symposium on ASEAN-Vietnam All-Round Cooperation held recently in Manila, in an interview with the daily Army paper QUAN DOI NHAN DAN. Asked about the symposium's contents and results Deputy P.M. Luong said: "This is the 3rd symposium of policy planners and scholars of ASEAN countries and Vietnam. Its four main contents are the participation of Vietnam in the ASEAN, the regional and international situation, the issue of economic cooperation and manpower cooperation between Vietnam and the ASEAN. The participants at the symposium deeply discussed the contents and issues of common concern". On Vietnam's participation in the Asian regional forum on political and security issues in 1994, Deputy P.M. Luong said: "As a matter of fact, Vietnam has attended the forum since July 1993. This is a structure for usual exchanges of views between ASEAN countries. Depending on the themes of the meetings, we shall make appropriate preparation". The deputy prime minister further said that the participants also exchanged views on issues to enhance cooperation in education, healthcare, culture, science and technology, and tourism between Vietnam and the ASEAN.

Prospects of Cooperation With ASEAN Viewed

*BK1012083893 Hanoi Voice of Vietnam in English
1000 GMT 7 Dec 93*

[Station commentary]

[Text] Vietnamese Vice Premier Tran Duc Luong said Vietnam is prepared to join ASEAN at the convenient time and will participate in the ASEAN Regional Forum scheduled for July next year in Bangkok.

The vice premier made the commitment at the annual seminar on cooperation between ASEAN and Vietnam held in Manila, the Philippines, recently.

The seminar discussed measures to help Vietnam promote its cooperative activities in the region. Here is our radio editor's opinion:

The seminar revealed how relations between Vietnam and ASEAN have quickly changed for the better. Cooperative agreements between Vietnam and ASEAN were discussed. In the near future, these agreement will be signed and implemented. The seminar helped Vietnam in its approach to participate in regional activities.

Each ASEAN country wants Vietnam to enter into cooperative activities with regional countries. Singapore, which has made rapid economic development last year, more than one [as heard] has affirmed its readiness to share experience on economic building and development with Vietnam. Singaporean Senior Minister and famous politician Lee Kuan Yew has visited Vietnam twice and has affirmed the necessity of Vietnam's participation in regional cooperation.

Thailand and Malaysia have repeatedly called on their businessmen to speed up investment in Vietnam. Already Thailand and Malaysia have many important investment and cooperation projects with Vietnam in industry, energy, mining, rubber exploitation and processing.

Philippine President Ramos maintained that in the current situation, Vietnam's participation in Southeast Asian activities were very important and necessary. Meanwhile, leaders of other ASEAN countries have the same views on this issue. The Philippine president said Vietnam's participation in ASEAN would be beneficial for both Vietnam and ASEAN. He held that it was better to include Vietnam into ASEAN and establish a mechanism and relations to help Vietnam and ASEAN approach one another as partners in peace and development.

Its also Vietnam's viewpoint and Vice Premier Tran Duc Luong told the seminar: Vietnam gave priority to developing relations with the neighboring countries, including ASEAN and Vietnam was ready to join ASEAN at the convenient time.

Vietnam was prepared to participate in regional activities as well as bilateral and multilateral dialogues among regional countries in order to promote cooperation and ensure peace and security in the region.

Philippine President Meets Deputy Prime Minister

*BK0712142793 Hanoi VNA in English 1400 GMT
7 Dec 93*

[Text] Hanoi VNA Dec. 7—Philippine President Fidel Ramos yesterday received Deputy Prime Minister Tran Duc Luong, who is leading a Vietnamese delegation to

the 3rd International Symposium on ASEAN-Vietnam all-round cooperation held in Manila, the Philippines. Present at the reception were Minister of Education and Training Tran Hong Quan and Vietnamese Ambassador to the Philippines Vu Quang Diem.

Deputy P. M. Luong conveyed regards from President Le Duc Anh and Prime Minister Vo Van Kiet to President Fidel Ramos. He informed the Philippine president of Vietnam's latest socio-economic development and external activities. President Fidel Ramos highly appreciated the socio-economic achievements recorded by the Vietnamese people and noted with satisfaction at the positive development of the relations of friendship and cooperation between Vietnam and the Philippines, Vietnam and the ASEAN, and Vietnam and the international community.

He reaffirmed this support for broadening the cooperative relations in economic, cultural and scientific-technological domains between the two countries, and wished that the relations between Vietnam and the ASEAN would be further developed and Vietnam would become member of ASEAN. President Fidel Ramos exchanged views with Deputy P.M. Luong on the concrete issues of common concern aimed at further promoting the cooperative relations between the two countries.

Deputy P.M. Tran Duc Luong reminded President Fidel Ramos of President Le Duc Anh and Prime Minister Vo Van Kiet's invitation to visit Vietnam. The Philippine leader said he would arrange his Vietnam visit.

Foreign Minister Receives Belgian Delegation

BK0812144393 Hanoi VNA in English 1342 GMT 8 Dec 93

[Text] Hanoi VNA Dec. 8—The governor of Wallonia, the French-speaking region in Belgium, Mr Guy Spitaels, has paid a five-day visit to Vietnam.

Governor Spitaels was accompanied by a number of businessmen in the Wallonia region. This is the first visit of the Wallonia authorities to Vietnam to study and exchange views on the possibilities of cooperation between Vietnam and Wallonia.

While here, Governor Spitaels and his party were received by Foreign Minister Nguyen Manh Cam.

The Belgian delegation had working sessions with Deputy Foreign Minister Le Mai on international and regional issues, the relationship between Vietnam-Belgium in general, and between Vietnam and the Wallonia region in particular. Governor Spitaels expressed his pleasure at the achievements recorded by the Vietnamese people in their renovation process. He welcomed Vietnam's open foreign policy and multilateralization of its international relations. He expressed his wish for the

development of the economic cooperation, commerce and investment between Vietnam and the Wallonia region.

During its stay here, Governor Spitaels and his party also had working sessions with the senior officials of the State Planning Commission, the State Committee for Cooperation and Investment, the Ministry of Trade, the people's committee of Ho Chi Minh City, and the Vietnam Chamber of Commerce and Industry. They paid a floral tribute to President Ho Chi Minh at his mausoleum and visited a number of economic and cultural establishments in Hanoi and Ho Chi Minh City.

Belgian Ambassador to Vietnam Benoit Ryelandt was also on hand in the Belgian delegation's activities.

Activities of KPL Delegation Discussed

BK0712115093 Vientiane KPL in English 0813 GMT 7 Dec 93

[Text] Vientiane, Dec 7 (KPL)—Nguyen Duc Binh, Politburo member and secretary of the Central Committee of the Communist Party of Vietnam, received here this afternoon a delegation of KHAOSAN PATHET LAO (KPL)—led by Director General Vanhthong Phonchanheuang, now on a working visit to Vietnam.

He highly valued the assistance of the party, the state and the people of Laos to the Vietnamese people's national construction and defence in the spirit of the Viet-Laos special friendship and solidarity.

Also present at the reception were Vietnam News Agency's (VNA) Director General Do Phuong and Lao Ambassador to Vietnam Khamphet Phengmeuang.

The KPL delegation which has been here for a week-long visit from November 30 had working session with VNA leaders discussing measures to promote the relations between the two institutions.

It called at a number of economic and cultural establishments in Hanoi, Haiphong and Ho Chi Minh City, and some VNA's local bureaus.

Pham Van Khai Visits Nam Ha Province 4-5 Dec

BK1012095193 Hanoi Vietnam Television Network in Vietnamese 1215 GMT 7 Dec 93

[Text] Deputy Prime Minister Phan Van Khai paid a working visit to Nam Ha Province from 4-5 December. He discussed the orientation for economic development in 1994-95 and ensuing years.

Deputy Prime Minister Phan Van Khai heard Comrade Bui Xuan Son, secretary of the provincial party committee, and Comrade Dang Khoi, chairman of the provincial people's committee, report on the situation. He went on a fact-finding tour of Kim Bang, Y-Yen, and Nam Ninh Districts; and inspected work at the construction site of the But Son cement factory in Kim Bang District and the Do Quan bridge construction site in

Nam Dinh. He visited the Anh Hong Machinery Company Limited, owned by Mr. Nguyen Viet Cuong, which specializes in making brass and cast-iron alloy; the Cat Dang Lacquerware Corporation, owned by Artist Dinh Khac Than, which is located in Yen Tien village, Y-Yen District; and various peasant families in the Lang Hoa and Vi Khe neighborhoods of Dinh Xa village, Nam Ninh District. He held a working session with the standing members of the provincial party committee, the provincial people's council and people's committee, and the directors of various offices and services in Nam Ha Province.

Deputy Prime Minister Phan Van Khai expressed his belief that in the coming years it is essential that Nam Ha join the entire country in overcoming poverty and underdevelopment, strive unfailingly to develop a new economic structure, and promptly increase its industrial output and service activities. Districts in Nam Ha should lose the habit of planting only one rice crop per year and should overcome without fail the three weaknesses; namely, dwindling industrial output, poor export performance, and budget revenue shortfalls.

Deputy Prime Minister Phan Van Khai pointed out that Nam Ha should develop the strengths of its three economic zones to the fullest. The strength of the northern economic zone is manufacturing construction materials, that of the southern economic zone is carrying out intensive agricultural cultivation and aquacultural production, and that of the urban areas is carrying out industrial and service development.

Nam Ha has many traditional branches and occupations. The restoration of these branches and occupations is necessary to create employment and carry out rural labor division. Regarding those agricultural areas where the development of branches and occupations is impossible, the province should strive to change its crop and animal husbandry patterns to emphasize high-value food grains and indigenous industrial crops. Lang Hoa village, Vi Khe District and Nam Dien village, Nam Ninh District are good models in this respect.

The deputy prime minister especially urged Nam Ha to invest in developing the processing industry if it is to increase the value of its agro-forestry-marine products and its consumer market. It is necessary to restore and increase the urban textile and garment sector's performance. Only by renovating the economic structure to promote agricultural and rural growth can we bring industrial output and service activities into full play.

The deputy prime minister also reminded the province about planning for the development of the socioeconomic infrastructure and effectively directing the implementation of party and state policy and lines in the locality.

On this occasion, Deputy Prime Minister Phan Van Khai also went to a temple on Co Trach Street in Nam Dinh and the Pho Minh Pagoda in the suburban village

of Tuc Mac to offer incense in memory of those Tran dynasty kings who performed meritorious deeds for the country.

'Leading Role' of Communist Party Defended

*BK1012120993 Hanoi Voice of Vietnam in English
1000 GMT 10 Dec 93*

[Station commentary; from the "Our Talk of the Week" feature]

[Text] People hostile to socialism recently have made use of the situation in Eastern Europe to criticize Marxism and Leninism and the Communist parties. They have made many false allegations—despite objective realities in Vietnam—with the aim of denying the leading role of the Communist Party of Vietnam [CPV] in the cause of national building.

In the current world situation, each nation must have a leading political organization. That organization is called the leading party which manages the country. Depending on the history of this country and its concrete situation, this party or that party can control the government in the long or short term.

In Vietnam, the Communist Party has kept its leading role continuously since 1930. Over the last 60 years, despite numerous mistakes and shortcomings, the Vietnamese party and people have overcome many trials and difficulties and won great victories. The August 1945 revolution led to the birth of the Democratic Republic of Vietnam on 2 September, 1945. The party led the Vietnamese people in carrying out successfully two resistance wars against the French colonialists and U.S. imperialists, reunifying the country, and is now leading the national renovation process in order to make the people rich and the country strong and civilized.

In our history, no other parties can replace the CPV. It is a logical history and a clear and certain issue. Any scheme to deny the leading role of the CPV is a mistake of mind and a violation against the sentiments of the Vietnamese people, including those who are still living as well as the souls of those who sacrificed their lives for independence and freedom of the fatherland.

It is true that the CPV made serious mistakes. However, it is trying to correct itself. The CPV has made self-criticism and openly acknowledged its mistakes before the people. It has reaffirmed its political strength by initiating and leading the national renovation process which has won people's support. The political stability in the country over the past seven years of the national renovation process shows that the mutual trust and closeness between the party and the people is a real potential and strength that no one can deny.

Despite all of this, there are allegations that the CPV is trying to cling to its leading role. If it is not because of anger and resentment, it is of ignorance of the historic role and the inner strength of the CPV and negligence of the fact that the party is renewing itself. Therefore, the

party is a strong political force able to cope with any historic challenges and history can hardly refuse the CPV of its leading role.

Moreover, such critics do not understand the Vietnamese people. In the current world, it is not easy to impose an order on the people. Those who understand Vietnamese history will understand the reasons why the Vietnamese people sometimes feel indignant about and even hate corrupt and degraded party members, but they still trust the CPV, contributing to build and assist the party. From their traditions and experiences, the Vietnamese people are willing to be close to this party. The CPV remains the sole political party that wins the hearts of the people. It is a party of the people and for the people.

Article Criticizes Those Who 'Distort History'

BK0712093593 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 1 Dec 93

[NHAN DAN 30 November article by Dinh The Huynh: "Facts Speak for Themselves"]

[Text] The glorious feats-of-arms and strong development stages under the Dinh, Le, Ly, Tran, Hau Le, and Tay Son dynasties are the fruit of the labor, talent, blood and bones, and glorious traditions of our entire nation. At the same time, one cannot separate those achievements from the clear-sightedness and skills of those individuals and progressive forces in charge of the above-mentioned dynasties.

In the 19th century, due to many subjective and objective causes, the Nguyen dynasty let the nation fall into the yoke of foreign domination. The cause of national salvation and liberation conformed with the new situation and was capable of dealing with the new enemy. Many uprisings were staged, but they all met with setbacks. It cannot be said that those generations were not moved by patriotism and the aspirations for independence and liberty. They could not succeed because at that time, our nation, especially our laboring people, were not rallied and led by a revolutionary organization with a correct line.

Against such a backdrop, the Communist Party of Vietnam [CPV] founded and forged by President Ho Chi Minh, assumed a leadership role, thus responding to the earnest aspirations of the entire nation for the liberation of the country and people, primarily the working class and laboring people, by means of a path that can be best described as the one that pursues the goals of national independence and socialism. For more than 60 years now, for genuinely patriotic Vietnamese, because that path contains a great truth, it has encouraged our people to overcome countless challenges and sacrifices to serve the cause of national liberation, defense, and construction.

The great victories of the Vietnamese Revolution constitute an undeniable historic truth substantiated by

vivid realities found in our party's leadership role and correct revolutionary line in which Marxism-Leninism and the Ho Chi Minh ideology serve as the foundation of our thinking and the compass of our action.

That historic fact is as clear as broad daylight. Some people, however, have stubbornly maintained that the final victory of the struggle for national liberation is but the result of patriotism and national traditions and does not have anything to do with the role of the communist party, Marxism-Leninism, and socialism.

Because those people are bold enough to negate history, they must be motivated by bad intentions. So, what are their dark schemes? Isn't it true that because they are unable to deny the victory of the Vietnamese Revolution, those people seek ways to negate the party's leadership role and line by focusing on patriotism and national traditions? As far as a living body is concerned, people should not belittle the importance of this organ and uphold the role of another. History is like a living body. Nobody can defile King Quang Trung and at the same time claim that he/she is patriotic and proud of the great feats-of-arms of the nation under the Tay Son dynasty.

This simple example is good enough to make everyone fully aware of the lack of scientific and historical soundness of the arguments used by those who are trying to distort history. Historical realities indicate that since ancient times, after their arrival in Vietnam, progressive theoretical concepts and achievements of human civilization have all been received in a selective way and have become Vietnamized so they may contribute to enriching our people's spiritual heritage and become part of it. This fact testifies to one of Vietnam's marvelous capabilities and unique national traits which have helped the Vietnamese people to integrate all modern ideological concepts of human civilization into their overall spiritual and cultural heritages. Likewise, our people have inherited Marxism-Leninism, which, in turn, has been applied and developed in a creative manner through the Ho Chi Minh ideology and our party's revolutionary line, thus serving as a torch to illuminate our path and a compass to guide our course of action and causing the Vietnamese Revolution to score one victory after another.

The recent crumbling of a number of socialist countries also indicates that if one fails to correctly understand and act in line with the nature of Marxism-Leninism, distances oneself from real-life situations, and clings to rigid dogmatic principles, one will surely be caught in a crisis situation. That incident also shows that if one stays aloft of or betrays the fundamental principles of Marxism-Leninism, one will not only fail to avoid a crisis situation but will ultimately invite painful setbacks upon oneself.

Achievements scored in the renovation during the past seven years, especially since the Seventh National Party Congress two and a half years ago, are substantial and

not meaningless as claimed by some people. These achievements were attained through an arduous struggle that was fraught with numerous difficulties and ordeals. It is not surprising to see now that many researchers have asked why Vietnam can get a firm foothold and develop further in such a difficult situation. Many contended that these are factors worthy of further studies, especially the Vietnamese national characteristics and culture, the Vietnamese people's intelligence and capability, and their historic struggle for national reconstruction and defense.

It can be said that the renovation has ushered in the new era of vigorous development for the Vietnamese nation. In implementing this process, past experiences have been creatively brought into full play, and it has testified to the fact that great potentials of the nation and exalted efforts of the people have been effectively mobilized, organized, and led by the correct lines and policies of our party—the party that has become a tremendous spiritual and material force that helps the country overcome numerous great ordeals and dangers to develop further.

It is necessary to say that our national brilliant legacies, Marxism-Leninism, and theories of Socialism have greatly and effectively helped our party in its formulation of lines and policies and in predicting and resolving pressing issues. For this reason, those people and reactionary forces who do not want to see Vietnam getting a firm foothold for further development and the Vietnamese people successfully building their fine and prosperous society, are frantically attempting to reject and discredit socialism, Marxism-Leninism, Ho Chi Minh thought, and our party leadership role. The more they are worrying about the success of these doctrines, the more they are attempting to reject and discredit them. This has once again proven that Marxism-Leninism and socialism are still the most essential, scientific, and sharp revolutionary and theoretical tools for our party and people. This has also manifested that the Ho Chi Minh thought and our party revolutionary lines and policies have increasingly and profoundly been engraved in the hearts of our people's strata, thereby contributing to vigorously accelerating the renovation in our country.

If all these theories, ideologies, lines, and policies are obsolete and erroneous as claimed by the reactionaries, they will certainly keep their mouths shut while encouraging us to continue our tasks for further serious mistakes.

Historical experiences drawn from the past several decades show that those reactionary forces that contested with our party over the leadership role would flee abroad when the country was on the brink of danger. A vivid lesson from reality in some countries shows that when the communist party is no longer the ruling party and that the authority is in the hand of the forces representing the wealthy class, then debacle befalls the working class. At this juncture, no peacekeeping force and no humanitarian aid package can ensure a peaceful and happy life free from danger for the people at large. When such a situation occurs, the reactionary forces will certainly flee abroad if they realize that they have no chance to fish in the trouble waters any more. Eventually, the laboring people are those who suffer the most.

Although the renovation is facing great difficulties and ordeals, while mistakes are unavoidable, achievements scored in this process have created very significant prerequisites for leading our country to attaining modernization and prosperity. The most important feature of the renovation is that it can create stability in our society and help our people to refrain from catastrophes.

For most of the ordinary Vietnamese, socialism is a lively and intimate doctrine that can provide a bountiful life to them and their families. To them, socialism is absolutely not the cumbersome, confusing, and difficult to understand doctrine.

We highly honor all international cooperation and assistance, welcome and study all advice and valuable experiences from friends, yet our party and people will not accept all these at any costs. We will not accept impositions against our nation's developmental pace. Schemes aimed at undermining the flesh and blood relations between our party and people will be doomed to failure. This is because this relationship has not only been tested through realities, but it is also the significant factor determining our nation's prosperity and development in the future.

